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The CREDIT WORLD

(Registered U. S. Patent Office.)

Official Magazine of the NATIONAL RETAIL CREDIT ASSOCIATION

March, 1941 Vol. XXIX No. 6

EDITORIAL AND EXECUTIVE OFFICES

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MARCH, 1941

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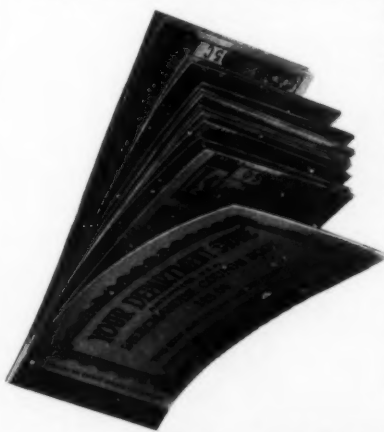
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THE EDITOR'S PAGE

*Do It
Now!*

THE RESULTS of the first Retail Credit Survey, established at the request of the NATIONAL RETAIL CREDIT ASSOCIATION, were released by the United States Department of Commerce in 1930. The 1940 survey will continue the series of credit studies which have each year provided retailers with reliable data on credit sales, collections and bad debt losses.

In an effort to speed up the preparation of the 1940 report, the Department will mail the schedule to a small group of retailers, carefully chosen to represent their trade as announced in the February CREDIT WORLD.

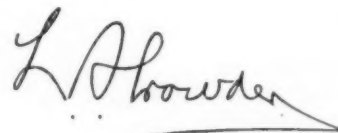
Upon receipt of the schedule, you, as a member of this group, are requested to submit your figures promptly. Most of the firms receiving the schedule cooperated by submitting 1939 figures, for which reason you will be requested to furnish 1940 figures only, instead of the current and the previous year, as heretofore.

All figures of individual firms submitted for the Survey are strictly confidential, as provided by an Act of Congress. Retailers report voluntarily, and in return for their cooperation receive, without charge, a copy of the complete survey for their trade.

The full cooperation of the membership of the National Retail Credit Association and Associated Credit Bureaus of America, Inc., is urged. Because of the small mailing list and the limited amount of information required for the current year only, each retailer's report is a vital part of the study.

The prompt return of the 1940 schedule to the Department of Commerce will enable them to release the study several months earlier than heretofore, so,

Do It Now!



General Manager-Treasurer

This publication carries authoritative notices and articles in regard to the activities of the National Retail Credit Association. Authors have been invited to express their personal opinions which may not be those of this Association and we assume no responsibility for them.

Behind the 8-Ball With Collections

W. L. BRIAN

Credit Manager, Joske Brothers Co.,
San Antonio, Texas

IS THERE really anything different being done today in the way of collecting accounts that has not been done in the past, and can we, as credit and collection men, take a cue from our present-day operation in an effort to try and figure out just what the future holds for us in this field?

It has always been our main objective, and always will be, to secure payment of our accounts within a reasonable length of time. With this in mind let us compare our operation of today with that of yesteryear.

Let us go back ten years, prior to the depression of 1929, to remind us of how collections were handled in those days, and see what the attitude of firms as well as collection agencies were then. From a firm standpoint, then as now, especially in the larger stores, I believe it was the general practice to strike one of two plans for a successful credit operation. Namely, to adopt the plan of a rather lax policy of extending credit and a very strict collection policy, or a strict policy of credit granting with a lax collection system.

Collection Department Good Will

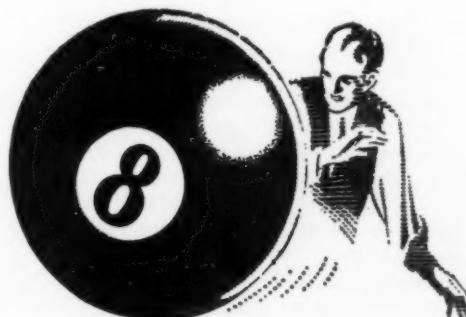
It would be foolish for me to try and say which is the more successful as both types of operation have been in existence for years, with very successful jobs being done on both plans. Personally, however, I have always operated on the theory of taking a few more chances and having a very strict collection policy.

I do not believe a credit department gave as much stress to the good will angle in pre-depression days as is given today. Business was booming and it did not matter whether a few accounts were lost through improper analysis of credit reports, or through negligence in collection effort, either from a firm's standpoint or its representative. Then, too, credit managers, as far as their operations were concerned, had an entirely different outlook. Also the attitude of the average customer with reference to credit was far different.

Credit reached an all time high just before 1929. This brought into being many collection agencies and modes of collecting accounts which today are frowned upon by most of us in credit positions. I believe that I am safe in saying that most department stores, especially the larger ones, used attorneys mainly for the collection

of their accounts. This then brought results, and it may still do so in some parts of the country and on some types of accounts; however, in the South we have about given up the idea of effecting collection in this manner as the depression apparently demoralized the people to such an extent that they do not pay any attention to attorneys' letters in the average case. Whether or not this was run to the ground by bluffs during the years when they could not pay or whether people just reached the point where they did not care, I cannot say. The fact remains that in this part of the country these letters no longer have the desired effect upon the bulk of our collections. Many bluffs were run in this connection as a firm or agency never intended to bring suit or take the action threatened. Possibly this was one of the things that ruined this type of collection effort. All of my training has been never to run a bluff unless I intend to back it up. This I have tried to adhere to and I believe in the long run will gain more than can ever hope to be gained by the bluffs which are made and never carried out. I would never want one of our representatives to say that they intended to bring suit or take some action unless they fully intended to do so, for it doesn't take long for such information to get around among customers, which in time will cause to slow up the effectiveness of a firm or agency's efforts.

We all remember in going through the depression years how we were cautioned by our boss, and how we cautioned those under us to use tact and diplomacy in talking to customers about past due accounts because of



the frame of mind they were in, brought on by conditions. We dared not use the forceful language we had used up to this time, for fear of bodily harm, as many were desperate and it did not take much for them to do desperate things. We can all recall prior to 1929 how pressure was put on to such an extent that many a woman left collection offices in tears due to the manner in which she was treated. Possibly this was a good awakening as we found that persuasive measures in most cases were



much better than abusive ones. We did not regard the good will standpoint as we do today in our collection efforts. I often wonder had we really looked upon the good will of our customers in those days from a cash standpoint as well as being future credit prospects, just how much more business might we have had, and then again maybe it did not matter, for it was an entirely different era.

I do not believe the thought was given to the type of agency that our accounts were placed with as today. Our main objective was to get the money. We considered an account hopeless that was placed in the hands of someone else for attention, and we did not care whether the customer ever returned. As a matter of fact, we hoped that they never would, losing sight in the meantime of the potentialities of that customer's cash business.

Select Collection Agency With Care

How many in those days studied the tactics of the collection agency, the types of letters or different stunts with the thought in mind as to what might be the effect of that customer's attitude towards the store from their action.

Usually in those days an account was not placed for outside attention until it was over twelve months old, and it was not considered a loss unless it had been standing in the collection records for such a period of time. While this is still adhered to, I believe the general trend of thinking along this line, now, especially in the larger stores, is that an account that has been owed for six months is considered from a profit and loss point of view, at least from a book value standpoint.

Possibly this line of thought has changed collection procedures and also the selection of outside collection representatives. With this in mind, let us consider our present problem. *First of all, regardless of whether we are a firm, an agency, or an attorney, we should have a well defined, systematic collection follow-up policy.* Whether we are a firm, an agency, or an attorney, we should study our local situation as to peak payrolls, and determine all of our actions accordingly. How many stop to figure the time when customers have the most money, and time their efforts accordingly? To me, this is first in importance to any collection problem from any standpoint. For, regardless of how many times we contact customers by the numerous methods, it is needless unless we reach them at a time when they have the money with which to pay. We

assume that most people secure their salaries on the first and fifteenth of the month; however, in different cities, the bulk of salaries may not run this way, and unless this is taken into consideration we cannot hope to derive the full benefit from our efforts.

What Is the Best Collection Method?

From a firm's standpoint, I would never argue as to what is the best method of collection. Some will say the telephone, others form letters, personal contacts, etc. Regardless of whatever the procedure may be, if we will analyze our city from a payroll standpoint and then try systematic follow-ups accordingly, we will be surprised at the difference in the results that will be obtained.

Personally, from a department store standpoint, I am a firm believer in form notices and letters. As a matter of fact, we never use the telephone, and we are able to maintain well above a forty-five per cent turnover on our regular charge accounts, which is supposed to be fair in the South. We have, however, endeavored to work out a systematic follow-up on a timed basis which best suits the salaries here in San Antonio. Our notices are started very mildly at the end of seventy days, and are systematically followed up twice each month thereafter, on time schedule, in order that these notices will be in our customers' hands at the time they receive their salaries.

The Final Step

If our efforts have not been rewarded within six months from date of purchase, then it is useless for us to carry on from three to six months longer with hum-drum notices. We have had four months in which to try and persuade payment and if not successful, something should be done.

Do not misunderstand that there are no exceptions to the rule, for it would be useless for me to say so. However, this is the general procedure and it is upon this that our entire operation is based. We know that after an account has reached the six month stage that it is ready for personal attention. In all probability, we will work this account for at least two more months at the end of which time we are then ready to send our final request for payment, and afterwards, take the action as indicated by that last request. If it is a large account, we will, in all probability, threaten suit. If it is a small one and needs individual attention then the customer is told that it will be referred to a collection bureau for attention. If no reply to this final notice, then definite action is taken.

With a systematic build-up of collection routine, each notice being a little firmer than the previous one, we do not antagonize or create ill will when the time comes to give the account to someone for outside attention. It is also in the agency or attorney's hands early enough that the type of contact, whatever it may be, will bring much better results.

Average Firm Not Able To Give Accounts Attention

The average firm cannot give the individual attention that is needed after it reaches this standpoint, as the expense becomes too exorbitant to be profitable; for if

we follow them as they should be we will neglect the accounts in the earlier stages, causing a pyramided condition, and if we employ sufficient help, then our operating expense is out of line. It is only natural then to give the account to a good collection agency or attorney who is equipped to handle such cases on a profitable basis both to themselves and to you, provided a fair basis of remuneration for the efforts of your representative is worked out, and the business is not spread among so many that it becomes a burden to the ones with whom you have placed accounts.

Let us consider some of the things we would expect from an attorney or collection agency and just what they should expect of us. Suppose we have no outside representative and are in the market for some one to be our representative. A check-up prior to the depression days did not interest us much, with the exception of knowing that the company with whom we placed our business or the representative was a bonded, honest, organization or person, giving no thought to tactics or methods. This is certainly not true today, for I know that if I am to do the kind of a job that my firm expects of me, I must align myself with representatives that do not use underhand methods; that must recognize future good will, keeping in mind rehabilitating the customer to a future credit risk and that while we want to effect collection, we want to do it in such a way that we can secure our money, yet retain cash business if possible.

This cannot be done if the collection agency uses a big red car, driving up to a customer's house with their name or slogans all over it, trying to embarrass the customer in her own neighborhood. I may be wrong, but I would never place business of a firm such as ours with agencies using these methods. Here in Texas things are different from other parts of the country in view of our not having laws to protect the creditor. We have therefore found that by persuasive, regular, systematic follow-up at a time when the customer has the money will get far more results than gas-house tactics. This should be true, as statistics show that ninety-eight per cent of the people are honest. This, therefore, leaves most of our collection problems to cases of unfortunate circumstances, and conditions of our overloading the customer beyond



their ability to pay which, of all credit problems, is one of the most outstanding today. If this is the case, should we, as firms or agencies, resort to tactics creating such ill will that we are not only running the customer away from the store, but possibly everyone in that neighborhood? If they see such a car drive up and they find out your firm employs agencies that use such methods, they may become afraid and take their business elsewhere, fearing the day when they will have the same thing to contend with.

Collection Agencies Expected To Produce Results

A collection agency and its personnel should be studied to see if it is such that will bring the desired results from the type of business that you will give it.

Here I am taking a reverse stand on collection procedure by an agency, as I believe that an agency should be analyzed from the standpoint of personal contact rather than too many form letters. In all probability, from a firm standpoint, especially in a larger store, we have already used all the letters and forms that we can think of, and it has become a problem of personal contact. On my type operation, this would be one of the main essentials, for I know I use form notices and letters only in a systematic way, and I do not believe that another series would be effective. Therefore, I would say that the account should be worked on a systematic time basis by telephone or outside contact, preferably outside contact, with the thought in mind to be at the customer's door at the time they have the money. The contact, of course, being made by personnel of high caliber who can do a selling job as far as securing payment.

Six to Eight Months Should Be the Deadline

There are a certain percentage of people that, regardless of how persuasive we may be, nothing will induce them to pay their obligations. Here then, we should determine just what action is necessary and then take that action, maybe a suit brought for judgment, or some other pressure, and from this determine whether or not the account is collectible.

If stores will just come to realize the hopelessness of their efforts at a standpoint of six or eight months or whatever it may be after systematic and diligent efforts have been expended, and then place the accounts with a reputable firm, then they will see an entirely different picture as far as profit and loss accounts are concerned. If they do this and have systematically built their collection routine on a gradual basis, no ill will is created when it becomes necessary for that final step of placing it in the hands of someone else for attention.

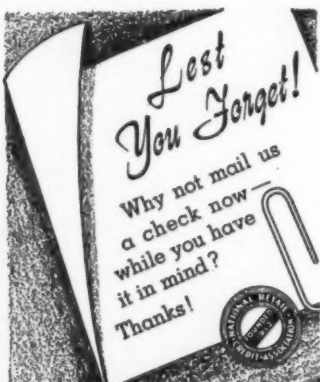
If we have been careful in selecting our representatives, who have at heart the interest of the firm they represent, then we are doing the kind of a collection job that I think any of us would be proud of doing. We are endeavoring to secure our money, yet we are trying to maintain the good will of that customer from two standpoints, to continue to receive his cash business as well as rehabilitate the account from a future credit standpoint.

I have been talking repeatedly about good will, which in credit and collection work must be kept before us every minute of the day, and it just occurred to me that a definition on good will which I heard a number of years ago might be interesting to repeat.

"The most precious thing any man, woman, or firm can have is the good will of others. It is something as fragile as an orchid and as beautiful. It is as precious as a gold nugget, and as hard to find. It is as powerful as a great turbine, and as wonderful as youth and as hard to keep."

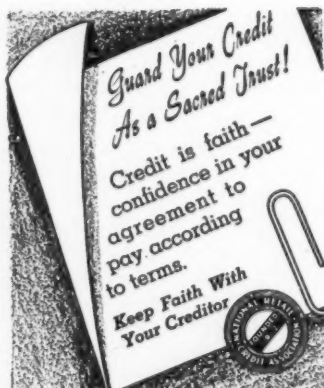
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The Book Shelf

Proceedings of the Conference on Consumer Credit (College of Economics and Business, University of Washington, Seattle, Wash., 92 pages, \$1.00)—This is the proceedings of the conference held at the University on November 13-14, 1940, and sponsored by five divisions of the University. The purpose of the conference was to provide an opportunity to discuss the numerous problems involved in the need for credit by the American family in a money economy; the institutions which provide consumer credit; the means developed to protect the consumer and grantor of credit; and the social and economic consequences of consumer credit. The Conference was planned and carried through as an educational forum.



Administration of the Bankruptcy Act—Report of the Attorney General's Committee on Bankruptcy Administration (Government Printing Office, Washington, D. C., 330 pages)—A report of the committee appointed by the Attorney General to study the various aspects of bankruptcy administration. It contains recommendations which will require amendments to the Bankruptcy Act. The adoption of these recommendations with respect to the referee system would be of preeminent importance in bankruptcy administration. The Committee is of the opinion that its suggestions would go a long way in restoring to bankruptcy administration the confidence which it now, unfortunately, lacks in many parts of the country.



Conscription—Law and Regulation (Commerce Clearing House, 214 N. Michigan Ave., Chicago, Ill., 147 pages, \$1.00)—This book brings conveniently together the exact texts of the more important statutes and administrative provisions pertaining to the conscription and draft laws now in force, and affecting the individual called for military training and his business relationships. It includes, in full, the Selective Training and Service Act of 1940, National Guard and Reserve Officers Mobilization Act, Soldiers' and Sailors' Civil Relief Act of 1940, the six "volumes" of Selective Service Regulations released to date, and the Selective Service Questionnaire.



General Accounting (Prentice-Hall, 70 Fifth Ave., New York City, 604 pages, \$5.35)—Written by H. A. Finney, Ph.B., C.P.A., Professor of Accounting, Northwestern University, this book is for laymen and for students who, although not interested in accounting as a profession, realize the importance of a general familiarity with the subject. Contains numerous illustrations and examples. This book will make a valuable addition to the library of every member of this Association.

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REMINGTON RAND INC.
Buffalo, New York
Gentlemen:

Dept. C W 341

Please send me your new Management Controller No. 622 "Unified Credit Record and Simplified Cycle Billing for Retail Stores." It is fully understood that I will keep it for only ten days and that there is no cost or obligation on my part.

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COMPANY _____

ADDRESS _____

CITY AND STATE _____

COST and PROBABILITY

G. H. SLACK

Manager, Collection Division, Merchants Association of Bakersfield
Bakersfield, California

HOW MUCH is a past due account worth? The two factors that determine the cash value are the collection cost and collection probability. The mere fact that a claim is collectible does not necessarily mean that the claim has value. The cost of collection may be even greater than the amount of the claim.

Experienced credit executives take both of these facts into consideration. Some firms report low credit losses but overlook the high cost of collection necessary to maintain low "write-offs" for bad accounts.

Salesmen who are collecting do so at the expense of sales. Excessive sales expense is sometimes attributed to the fact that the sales department is doing the work that should be properly charged to the credit department.

Cost of Collection

A credit executive recently told me that his credit losses were .22 per cent. I asked him who did his collecting. He stated that the salesmen were his collectors. "What is your selling cost?" I queried. His answer was a selling cost of 11.0 per cent above the average for his line of business. To me, his credit loss was 11.22 per

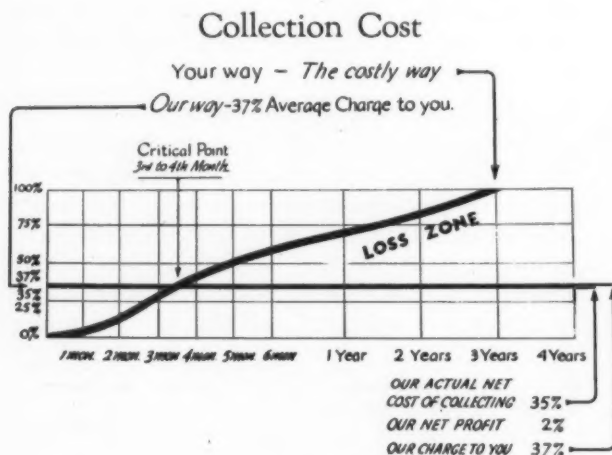


Figure 1.

cent, not .22 per cent. Thus, we find the collection cost may be concealed in the sales department overhead. The cost of collection, no matter where it is carried, should be considered as a part of the credit loss.

Every credit executive knows that if an account is worked long enough, a large portion of the claim will be spent in collection effort. If all collection costs are calculated and plotted against a curve of time and percent-

age, that curve will resemble the figure in Figure 1, providing better than the average skill is used in the collection department.

The members of the Collection Service Division of the Associated Credit Bureaus of America, Inc., at all times offer to do a collection job for a fixed percentage on a no charge unless collected basis. Figure 1 shows that the cost of the creditor's own collection efforts will exceed the charge made by the credit bureau between the third

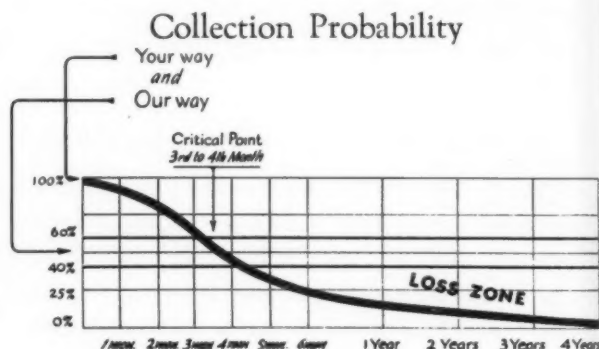


Figure 2.

and fourth months if the bureau charges 37.0 per cent, and on the fifth month with the bureau that charge 50.0 per cent. Many credit executives say they turn their bad accounts over to their credit bureaus more for the stopping of their own overhead than for the actual money collected.

Placing the claim for collection stops expenditure by the sales department or the collection department. The credit bureau receives nothing until a collection is made and then the compensation is limited to 50.0 per cent or less of the actual amount of money collected, as the case may be. National averages show that it actually costs 35 cents for a well managed collection firm to collect \$1.00. This 35 cents does not include any profit to the bureau. Beware of any collection scheme which offers to do this job for less than 35 cents. It is a danger signal. The person offering such a service is on thin ice and he is not entirely familiar with his own business.

Collection Probability

Figure 2 indicates what a well managed credit department may expect to collect through its own efforts and the results that may be expected from the collection department of the credit bureau.

Some creditors have used greater skill than others in

A Letter of Appreciation

Dear Mr. Crowder:

I have been instructed to write you on behalf of the executives and members of the Retail Credit Grantors' Association of Vancouver, B. C., to express their sincere appreciation of the compliment paid by the dedication of the January CREDIT WORLD to the Canadian members, and more particularly your own tribute to those members.

The feeling of mutual respect and the spirit of cooperation which exists between retail credit grantors on either side of that almost imaginary international line might well serve as a pattern for the two countries.

There is a growing respect and affection, and an ever-increasing spirit of cooperation and comradeship between our two countries; and when they reach, as they undoubtedly will, that almost ideal relationship which exists among the retail credit granting fraternity, the future problems of the Anglo-Saxon race will have gone a long way toward being solved. *If, later, with this happy state of things existing between the United States of America and the British Empire, the rest of the world can gradually be educated to adopt cooperation rather than competition, and comradeship rather than conflict, there is a good chance that the world of the future may be a place fit not only for heroes, but for any decent self-respecting human being to live in.*

It may be ambitious, but we certainly hope that the work which has been carried on, to a large extent, through the National Retail Credit Association, among retail credit grantors may serve as an object lesson, and ultimately help to bring about that happier state of existence throughout the world that we all hope for but can hardly visualize.

The kindly feelings expressed by you toward us are entirely reciprocated, and we sincerely hope that the happy relationship which has existed among all members of the National Retail Credit Association may continue and grow year by year.

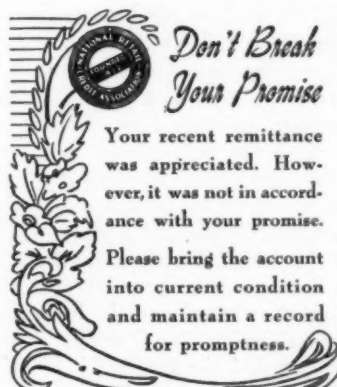
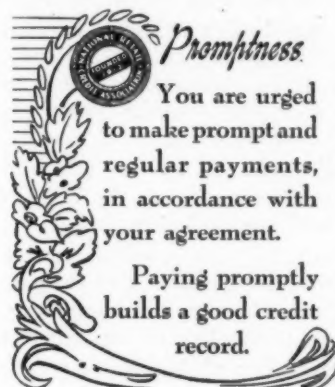
Very sincerely yours

Thomas Downie, Secretary

extending credit. Accounts from the well managed credit department are frequently 100 per cent collectible by the credit bureau. Claims from a poorly managed credit department are sometimes 100 per cent uncollectible. The collector should not be blamed for mistakes in credit management. In Figure 2, you will notice that after the third or fourth month the collection probability is less by the creditor's own efforts than the results that are obtained by the credit bureau. If you wait for six months before turning your accounts over for collection, do not expect the credit bureau to collect more than 25.0 per cent. By turning the accounts over the third or fourth month, the results are from 40.0 to 60.0 per cent recovery. It should always be borne in mind that a collector is working on a commission basis and he will not remain in business long if he passes up a single collectible dollar.

Installment Collection Stickers

7



8

9



Shown exact size. Printed in blue ink on different color paper. Price \$2.00 a thousand; assorted, \$2.50 a thousand. Order by number from your Credit Bureau or

National Retail Credit Association
1218 Olive Street St. Louis, Mo.

Credit Department Letters

Won't You Swap Ideas With Us?

"I read *The CREDIT WORLD* from cover to cover every month," remarked Mr. C. C. Kortz, Credit Manager of the Higbee Company, Cleveland, as we sat chatting before my recent lecture at the Cleveland Retail Credit School. "I usually mark my copy in at least fifty places," went on Mr. Kortz, who is one of the leading retail credit executives in the United States. "Arthur Hert has improved it immensely."

While Mr. Kortz's orchids were for Mr. Hert, I felt they were a challenge to everyone who writes for *The CREDIT WORLD*, and I want very much indeed to have the Credit Department Letters pages live up to the expectations of Mr. Kortz and the splendid high-type readers of *The CREDIT WORLD* everywhere.

Recently, in inviting me to give a talk before a District conference, a very generous retail credit manager wrote that the folks in his locality looked upon my work as the most expert in the United States. On the heels of that letter, came some literature from the Dartnell Service, publishers of *American Business* and other publications of the highest type. Dartnell used the word "foremost" in connection with my work.

As kindhearted as these folks are, I couldn't help being reminded that the great Wayshower counseled on one occasion, when those around him were clamoring for place and position, that he who would be greatest should serve and be most humble. To illustrate his own humility he knelt and washed the feet of his disciples.

It is a fine idea for letter writers, generally, to make each letter actually serve the reader. *We are writing letters to get business transacted more quickly and happily, to cement friendships, to build finer business relationships in every way.*

You who read this page, occupying the position you do, have the idea of service. Won't you turn to your files while you have this before you, pull out one or two letters that you consider the best ones you have written in the last year or two, and mail them in to *The CREDIT WORLD*. Do not bother to write a covering letter unless you particularly desire to do so. Just enclose your letters, perhaps with a penciled notation on them that they worked particularly well, or what percentage they pulled.

In order really to serve you, it is necessary that we trade ideas. Remember the rhyme:

You have a dollar,
I have a dollar,
We swap.
Now you have my dollar
And I have your dollar.
We are no better off.

You have an idea,
I have an idea,
We swap.
Now you have two ideas
And I have two ideas.

This Month's Illustrations

It must be interesting to serve the clientele of Woodward and Lothrop in our nation's capital. If their walls could tell a story, they might echo the language of many foreign lands, and the romance, and even intrigue that seem to be a part of the gay, international social functions. No doubt, every department would have its story to tell of triumphs and joys and accomplishments, of tears and heartbreak and frustration, all a part of the lives of cosmopolitan visitors to this beautiful store. The clientele being international, from all parts of the United States, as well as made up of the diplomatic set, government employees, and others, the letters need their own special technique, from the readers' point of view.

Illustration No. 1 is written when an account is in arrears, but the merchandise is authorized for delivery. It is intended to warn the patron that Woodward and Lothrop cannot add further charges until payment is received. The letter is right to the point. Notice that in the opening it reassures the customer he will receive the current purchases but that he needs to watch out in the future. There is not a wasted word in this letter, it tells a very definite story in a straightforward way, courteously.

Illustration No. 2 is written the first of the month and enclosed with the bill. It is a mild reminder, right to the point as in the case of the other letters, with just the exact degree of force.

Illustration No. 3 is similar to illustration No. 1, except that the current merchandise is held until payment is received on the account, and if no attention is paid within ten days, the items are returned to stock. Since this letter may carry disappointing news, it should lead into the big idea with great care and tact. It should not give the decision in the opening sentence because this would be too forceful, and the mind of the reader might not be prepared for it. Notice how well the letter leads into the second sentence of the second paragraph, and the definite request for action in the close.

Illustration No. 4 is the second in a series, of which Illustration No. 2 is the first. The second letter is written one month after Illustration No. 2 has been forwarded with the bill the first of the month.

In view of the type of clientele, this notice, like the others, is right to the point. It does not mince words. It puts the heart of the message right at the beginning. This series of letters is reported as working out splendidly in Washington, D. C. The ideas are sound for adoption anywhere, but the precise wording and approach should possibly be changed in other localities where the clientele is not so transient. Generally, the practice elsewhere is to soften the approach by surrounding the collection ideas with reassurances and compliments.

Aline E. Hower

WOODWARD & LOTHROP
WASHINGTON, D. C.

(1)

June 18, 1940

Mr. Roy R. Jones
509 Gay Avenue
Washington, D. C.

Dear Mr. Jones:

In charging merchandise to your account today, we note the balance is past due at this time. Credit is extended with the understanding that all purchases of one month will be paid in full the following month. Before making further charges, we ask that you adjust your account on the terms outlined above.

Will you enable us to serve you further by giving this your attention.

Yours very truly
Frank P. Scott
Frank P. Scott
Credit Manager

FPS OR

WOODWARD & LOTHROP
WASHINGTON, D. C.

(2)

August 3, 1940

Mr. Roy R. Jones
509 Gay Avenue
Washington, D. C.

Dear Mr. Jones:

This is a courteous reminder to you that there has been no acknowledgment of this indebtedness on your part since June 5.

We hope we may hear from you in the very near future.

Yours truly
Frank P. Scott
Frank P. Scott
Credit Manager

FPS OR

WOODWARD & LOTHROP
WASHINGTON, D. C.

(3)

July 11, 1940

Mr. Roy R. Jones
509 Gay Avenue
Washington, D. C.

Dear Mr. Jones:

This is in reference to the purchase made today with the request that items be charged to your account.

In reviewing our records, we find a balance for \$35.24 still unpaid. We ask that you favor us with a check to cover the amount due, in order that we may charge the merchandise selected.

Will you enable us to serve you further by giving this your attention.

Very truly yours
Frank P. Scott
Frank P. Scott
Credit Manager

FPS OR

WOODWARD & LOTHROP
WASHINGTON, D. C.

(4)

September 3, 1940

Mr. Roy R. Jones
509 Gay Avenue
Washington, D. C.

Dear Mr. Jones:

On September 30, it will be necessary for us to remove your name from our books, in view of the fact that we have not received acknowledgment of your account since June 5.

This, of course, will necessitate on that date the turning over of your account to the Associated Retail Credit Men of Washington, where the delinquency will be made a matter of record.

Yours very truly
Frank P. Scott
Frank P. Scott
Credit Manager

FPS OR

Credit . . .

FROM A CONSUMER'S ANGLE

■

Considerable comment was aroused from an article in the January issue by Miss Violet Symonds regarding competition in terms from the buyer's and sales promotion manager's viewpoint. Now, what about credit policies and store services from the apparently neglected consumer's angle? Read what Mrs. Edna Miller, a housewife of Sioux City revealed in no uncertain terms, in a talk on this subject given before a recent meeting of the Sioux City Retail Credit Association. She is a graduate of the University of Wisconsin, and past president of the American Association of University Women in Sioux City.—The Editor.

■

I AM NOT an expert on credits. As a matter of fact, I have the greatest respect in the world for the credit profession. It is one which entails the most careful strategy and the keenest acumen. I am not telling you how to operate in your field of endeavor. Then, by what right do I speak? Only because I have expatiated often on what I consider some of the ills or shortcomings that I have observed as I have gone about in the stores and shops; attitudes; ideas; manners; methods which have irritated me. I do not know whether they irritate other people. I know that some of them do. I do know that many people are not irritated, or if they are, they are not sufficiently interested to voice their protests. I also know that there are some others who like myself, think strongly on these things.

Let me emphasize again that I have been asked to make this a critical discourse, and not to hand you bouquets. And since undertaking this, I have done a little research: asked some questions (not nearly so many as I should have, for time would not permit); hence all the conclusions are not mine. They are not my personal views, but a composite picture of the consumers' views of credit.

Before proceeding further, I must tell you of one thing that both surprised and impressed me. In my research I did not find one reference on the consumer's angle of credit from the consumer herself. I do not say that this is correct, only that I found nothing, and it was conspicuous by its absence.

Who am I? I am just Mrs. Average Consumer, the feminine counterpart of the little man with the big eyes behind thick glasses, the creation of the cartoonist whose moniker is "The Common People." I am one of 130 million potential consumers toward whom the advertising army is directing a campaign. I have been told that all advertising is built on the basis of attracting the mentality of a 12 or 14 year old, that it does not click if couched in terms or phrases or pictures which would normally appeal to full grown adults. In other words, we are coaxed, cajoled, coerced to buy Tom, Dick and Harry's toothpaste, sheets, coats, piston rings, shoes, etc., but when it comes to paying for this, that, or the other, we are addressed as what we are, adults, and it is just too bad, if having bought we are not able to pay.

Advertising and Mrs. Consumer

And as Mrs. Consumer, I know that it is my repeat purchases on which a store can make its profits. Most dealers attempt to sell themselves as an institution through advertising designed to keep me informed on what is going on inside the store, but the most effective advertising may be nullified by the word of mouth advertising I may give it as Mrs. Consumer. She is the most powerful factor in the distribution of goods in the United States today. Eighty-five cents out of every dollar expended for food, clothing, drugs, cosmetics, jewelry, furniture and household furnishings, are spent by women. It is also a well-established fact that women hold by title as much property, both real and personal, as men in this country. *Better be nice to the women!*

There are, or were, according to the latest figures available covering the years 1935 and 1936, about 29 and one-half million families, and 10 million single persons who spent 59 million dollars in that same period for consumers' goods, and the largest single group was the one whose income was between \$750 and \$1,000 per year.

My observation leads me to believe that all merchandise is based on eye appeal. Everything must be beautiful to look at, wide spacious stores artistically decorated, merchandise lovely to look at, enticingly displayed, and behind the counter an attractive sales person with a supersales lingo, but all reduced to a formula, "May I serve you?" She may have fixed her face into the semblance of a smile, but her eyes remain stony, dull, bored, and indifferent. There is just as much interest displayed on her countenance as one



would find on a piece of putty which you might have formed into a head, poked holes for eyes, a couple of dots for the nose, an upturned semi-circle for a mouth, because upturned lines denote good nature, but just as devoid of expression as the cigar store wooden Indian. Merchants pride themselves on their super-service, and maybe it is all right and ideal, but it lacks sincerity; it lacks the genuineness without which the act of living and breathing is pretty empty, not to mention the chase after dollars and cents.

Stores Lack Genuine Hospitality

It is this impersonal super-service with which I have a grudge. Thirty years ago I trailed through the stores of this town hanging on to my mother's hand. Floorwalkers and executives were on the floor, not behind wickets, extending a cordial welcome. It was a cordial, "How do you do, Mrs. So and So, and little Miss So," and often accompanied by an outstretched hand. And if it happened to be an out-of-town shopper, it was, "Here, let me take your bag and check it for you while you do your errands." We were made to feel that the store was ours, that our patronage was worth something. The same attitude, because it was evident in the higher-ups, was fostered in the salespeople. It was hospitality, genuine hospitality. To be sure, we expected to pay for it, but it was a business getter, because I used to hear people talk about the treatment they were accorded, and they were loyal customers. Maybe that is old fashioned today.

Not one floorwalker today speaks to me when I go into a department store. As for executives, I rarely see them, and for credit experts, I know only one, and that acquaintance is due to a social contact made years ago. Credit professionals seem to be a species apart, some sort of ogre hiding behind a closed door, or chained within a cage, ready to eat me alive if I do not pay my bill by the 10th of the month. In reality, you look like very agreeable people, ones I would like to know, passing the time of day; interested equally in politics, economics, literature, music, art, education; in fact you are human, just the same sort of people we consumers are. And, as a matter of fact, you are also consumers.

About Inactive Accounts

Some of you, to satisfy your curiosity when you go to your respective offices in the morning, may look on your accounts for the Mrs. Miller who talked to you last night. You will find that she is not a consistent charge customer, but if you will take the trouble to analyze, your conclusion will be that she is or must be a cash customer, for she must buy for herself, her family, her home. Offhand, I would say that last month was the first time I have had a charge in any of your stores for several months, and has my account been missed? Evidently not, for not one word of inquiry have I had from

any of you. Are you so psychic that you know why my account has not been active; that you can afford to risk not making an inquiry? I might have been offended by any one of a number of things, maybe an incorrect bill; discourtesy of a salesperson; an adjustment either grudgingly made, or not made; the price out of line; the general attitude of the whole store; or any number of reasons. It is rather interesting and quite surprising to listen to a group of women when they get started on a discussion of buying for their families.

While I used myself as an illustration, I am not a disgruntled customer. I am largely a cash customer, for a number of personal reasons which do not bear on the subject. And neither have I had any recognition of my value as a cash customer. I use the term cash customer, which leads me to another question. How many of you know your cash customers? How many do you know by name, to whom you may speak and say, "How do you

do, Mrs. Jones?" I will venture to say that your reply to my question would be something like this: "I have no need to know my cash customers. They are not a source of worry to me."

Seek the Cash Customer Also

Let me diverge to tell you of another customer I questioned. Her income is very good. She has a large home and small children and she is a consistent consumer month in and month out. I asked her some questions knowing

that she is mainly a cash customer. She told me that she runs charge accounts occasionally. I then asked her whether she ever received a letter when her charge account was inactive, to which her reply was, "Yes, once in a while." Then I asked her, "Did the store which asked why your account was not active, thank you for your cash business during that interim?" Her reply was "No." Don't you think that it would be good business to have thanked her for her cash purchases? I do.

You know how much, what percentage of your sales are cash, and what percentage credit, either open or terms. I do not, but I am led to believe that we cash customers are not of much value to you. We do not get the advance notices of the extra special sales, the extra special scoops that are very dear to the hearts of most women, just a wee bit more for our money. Yet I know that turnover is valuable. True you get it anyway, you may reply, but just the same Mrs. Cash's money is just as good as Mrs. Charge's. It is money, the exchange of it for goods or services which carries on our way of life, and one man's money is just as good as another's.

Problems of Cash Customers

You may reply that you have no way of knowing who your cash customers are. But are there not ways of knowing? Do all cash customers go out of the store carrying all their purchases? Not by any means. Cash sales tickets in those cases carry names and addresses. Do

In the April Issue

"Where Are You Going, My Pretty Maid?"
Robert K. Maynard, Scranton

"Installment Trends," Dr. Albert Haring, Indiana University, Bloomington

"What the Future Holds in the Retail Distribution Field," E. P. Simmons, Sanger Brothers, Dallas

"A New Tone in Credit Advertising," H. O. Schultz, Calgary Retail Credit Grantors' Association, Calgary

you not see the same faces in and about your various stores and shops repeatedly? Maybe you as credit managers restricted to your offices do not, but your floorwalkers, the erstwhile ambassadors of good will do, your executives do. Do they ever take the trouble to learn how much that woman with the red hair may buy? Or who she is? Maybe it sounds like a gigantic task to find that out, but you have attacked greater jobs than that, and have learned what you wanted to know.

Why is there no distinction between the cash and credit customer? The cash customer helps toward carrying the losses on poor or bad credit customers. Surely she must be valuable to you, then why not make an inducement for more people to pay cash? A wholesaler's invoice to his distributor bears the notation "2 per cent discount, cash 10 days." Why then would it not be a good idea to say to a prospective customer, "So much per cent discount cash or 2 per cent discount cash 10 days, net 30 days?" This might be better understood if I were to use an example. A customer buys merchandise amounting to \$100.00 on open account, she will pay in 30 or 60 days in which case there would be no carrying charge. Six per cent interest on \$100.00 for one month would be 50 cents, for two months, \$1.00. The customer would save the dollar, the firm would lose the dollar, and should the firm have 100 such sales, it would amount to \$100.00 to the firm, \$9,900.00 cash in hand as against \$10,000.00 on the books to collect. Figure 6 per cent interest on the \$10,000.00 for the period of time you have to carry the account.

Needed—More Convenient Location of Cashiers

And another thing, why is it that the office where we pay our bills must always be away off the beaten path on the top floor or in some out of the way corner inaccessible to a busy person? And why is the credit manager rarely in evidence when we pay our bills? In modern bank arrangement, we stick our money through a cage window, it is grabbed by someone on the other side who hastens to mark it paid, and shoves back the receipt with maybe a thank you, most often not, wearing a face that would do credit to an astute poker player. Maybe they are deaf and dumb, and if they are, then I have no reason to complain for you are doing a wonderful service by employing them. Why couldn't there be a branch cashier's office on the first floor or some place convenient to the main aisle of a store?

Whether the credit expert shall be a man or a woman does not seem to matter; perhaps a detailed study might reveal some surprising facts. However, women are accused of being intuitive. If they are, couple that with ability and careful analysis, and I would say women would be almost invincible as credit experts.

And another thought in this connection on improving or furthering the personal relationships of the credit executive to the customer: why would it not be a good idea for the letterheads and billheads to bear the names of the credit expert and also the names of the executives?

The granting of credit is a serious business, for the success of the firm depends on it. When a new customer comes to you to open an account, does he meet only you?

Where are the executives? Are they not interested in meeting new customers? Could not there be a plan devised to get the attention of an executive that he might be introduced to Mrs. New Consumer and add his note of cordiality to yours? All this could follow the serious transaction of arranging for credit.

Granting Credit a Serious And Formal Matter

To ask for credit, and to grant credit is a formal matter, and should be in a private office rather than from behind a counter, or cage. The potential customer should be made to feel that what she is asking is a serious undertaking; that what you will do will be done in good faith; and that in return she is to act in the same good faith; that you both shall do just exactly what you say you will do; but withal, it may be done courteously so that when the new customer leaves you, she will have a secure sense of trust that the firm with whom she has engaged to do business is one of high ethical standing.

Personal physical appearance is the first introduction we have to anyone we meet; hence it is of very great importance. We cannot all be handsome, but our outward armour does help, good grooming, tidiness, and immaculate cleanliness. And then after the first glimpse, that inner shining thing, personality, makes even the approach to a serious transaction an agreeable task. Personally, I do not like the cold super-service of what I am told is up-to-date merchandising. That may be well in a metropolitan area, but we are not in that class, census figures to the contrary. We derive much of our income from our surrounding territory where informality reigns, and a warmth of fellow feeling still survives. I wish that we might have just a little more of the friendliness of the "good old days" when the floorwalker was an official greeter instead of an official suspicious snooper keeping an eye on all of us lest we get away with something.

In the Good Old Days

"Good old days." Going back? No. Ahead? Pick out of the "Good old days" that which is good.

We are exhorted, cajoled, advised, blasted and blizzkrieged by ear, by eye, by air to buy everything under the shining sun from safety pins to kitchen sinks, from gasoline to fur coats, from automobiles to insurance, and it is a lasting credit to us as adult human beings that we do not go berserk and spend far more than we can ever hope to pay.

Credit seems such a standardized procedure. It is the same in every store and shop. *I suppose it must be so, but my plea is for the interjection into it of some ingenious device or methods or ideas which will make it just a little more attractive, more personalized or individualized, and more compelling and more human.*

Reading this magazine carefully and regularly will contribute to your success as a Credit Executive

Bankruptcy Division Recommended

**R. Preston Shealey, Washington Representative
Washington, D. C.**

The December CREDIT WORLD included the announcement that perennial efforts for large scale bankruptcy revision, which had been the case during the forty-three years the present Bankruptcy Act has been on the statute books, would come to an end through the creation of a Division of Bankruptcy in the Administrative Offices of United States Courts. A bill to centralize bankruptcy complaints and coordinate bankruptcy administration which I drafted, was introduced in Congress on May 4, 1934 by Representative Lewis of Maryland. The introduction of the bill and subsequent efforts to secure its enactment played a large part in recommendations of the Attorney General's Commission on Bankruptcy, approved by that official, and now adopted by the Judicial Conference of Senior Circuit Judges, presided over by Chief Justice Hughes on January 21, 1941. The Conference report on this subject is quoted in full:

I. There should be set up, in the Administrative Office of the United States Courts, a Division of Bankruptcy, headed by a Chief, to be appointed by the Director of the Administrative Office.

A. The Division, in addition to the Chief, should include a staff of assistants adequate to enable the Chief and the Director to carry out the functions listed below. It should also include a few expert, highly qualified attorneys who can assist in special problems of research and investigation.

II. The Division of Bankruptcy, and the Chief, should assist the Director in carrying out the following functions:

A. The periodic and frequent examination and audit of the affairs of the referees and other bankruptcy officials.

B. The collection of bankruptcy statistics in such form as will best reflect the actual conditions of bankruptcy and bankruptcy administration throughout the United States.

C. The immediate and continuing investigation of the rules and practices of bankruptcy administration, with the object of discovering the most satisfactory rules of procedure under the various conditions which exist throughout the United States.

D. The receipt and investigation of complaints and suggestions with respect to bankruptcy administration and bankruptcy officials.

With respect to the appointment of salaried referees the Conference likewise recommended legislation to place referees upon a salaried basis with the proviso that the salaries "shall be paid by the United States from funds derived from charges against bankrupt estates, collected by the clerks of the district courts and paid into the United States Treasury, the system remaining self-supporting as it is today."

The Conference requested an appropriation of \$39,193 of Congress to establish and carry on operations of the Bankruptcy Division. Our Legislative Committee, as many members know, is keeping in close contact now, as in the past, with this matter and if Congress appropriates the necessary funds, as is generally expected will be the case, the Bankruptcy Division will then be in a position to study necessary changes in the Bankruptcy Act, including improvements to Chapter 13—Wage Earner

Bimson Elected to Bank Board of Directors

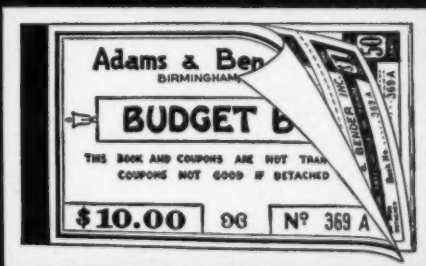
Carl A. Bimson, Vice-President of the Valley National Bank, Phoenix, Arizona, was recently elected to fill a vacancy on the Board of Directors. Mr. Bimson was made Assistant Vice-President in 1939, and one year later Vice-President. Under his direction the Installment Loan Department has grown to be one of the largest in the West and has commanded considerable national recognition. He was given a leave of absence from October, 1934 to March, 1936 to work for the Federal Housing Administration as Manager of Financial Relations for the State of Arizona. He was Chairman of the Banking and Finance Group Conference at our annual convention in San Antonio last June. He is Director-at-Large of the National Retail Credit Association.



Settlements. Whether this Bankruptcy Division within the Administrative Office of the United States Courts continues as a part of our judicial system or through some other agency, such as the Department of Justice, it is felt that a long step forward in bankruptcy reform has been gained and that the immediate objective of our Association, improvement and strengthening of Chapter 13, will now move forward carefully and surely to successful completion.

THE BUDGET COUPON BOOK PLAN

has been thoroughly and
successfully proven



Ask us How and Why

Southern Coupon Co.

P. O. Box 1472 -- BIRMINGHAM, ALA.

For 30 years "The House of Service"

January, 1941 The Collection

DISTRICT AND CITY	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						FURNITURE STORES (Installment Accounts)					
	1941			1940			1941			1940			1941			1940			1941			1940		
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
Boston, Mass.	47.3	52.5	45.2	49.0	55.1	47.2	14.7	15.3	13.1	15.1	15.5	13.1	51.1	79.6	42.3	51.5	78.3	45.3	—	—	—	—	—	—
Lynn, Mass.	48.5	54.4	46.9	54.5	57.0	44.8	—	41.7	—	—	36.6	—	—	—	—	—	—	—	12.5	17.2	11.6	12.8	15.4	12.8
Springfield, Mass.	57.4	62.7	52.2	56.0	61.1	51.0	15.9	19.1	12.7	15.3	19.2	11.5	—	62.2	—	57.0	61.1	53.0	—	—	—	—	—	—
Worcester, Mass.	50.1	50.8	49.4	48.3	52.6	44.1	—	21.6	—	—	23.0	—	44.4	45.0	42.6	44.8	50.0	44.5	—	—	—	—	—	—
Providence, R. I.	49.7	81.1	46.0	49.5	73.8	44.0	—	—	—	—	—	—	—	—	—	—	—	—	—	10.4	—	—	11.6	—
New York City	51.3	58.9	44.2	51.3	56.7	35.3	17.7	29.9	13.2	19.3	46.2	12.8	51.2	59.4	34.4	50.4	54.6	46.4	—	—	—	—	—	—
Syracuse, N. Y.	38.6	39.3	37.7	39.7	41.7	37.2	15.8	19.4	13.5	16.7	21.6	15.6	35.8	44.8	31.5	—	43.1	—	—	—	—	—	—	—
Utica, N. Y.	—	—	—	—	—	—	—	—	—	—	—	—	38.0	39.0	36.0	40.0	40.5	25.5	12.0	12.1	11.5	12.0	15.6	11.0
Pittsburgh, Pa.	46.1	50.5	36.4	46.0	51.6	34.8	16.0	20.6	11.0	16.3	20.6	11.4	45.3	50.5	36.4	45.4	51.6	34.8	—	—	—	—	—	—
Reading, Pa.	—	59.1	—	—	58.1	—	—	—	—	—	—	—	—	56.0	—	—	56.0	—	9.2	9.5	9.0	—	10.5	—
Washington, D. C.	42.5	50.8	34.1	41.9	51.0	33.5	15.6	17.8	12.8	15.3	19.2	12.8	—	—	—	—	—	—	—	—	—	—	—	—
Baltimore, Md.	45.2	53.1	35.8	45.2	50.6	38.1	16.8	23.7	11.2	16.7	22.9	12.2	44.1	47.0	41.4	41.4	44.2	39.7	—	—	—	—	—	—
Huntington, W. Va.	—	—	—	—	57.5	—	—	—	—	—	11.0	—	—	27.9	—	—	26.6	—	—	8.7	—	—	8.4	—
Birmingham, Ala.	40.8	46.3	38.3	40.1	45.1	31.9	15.7	16.0	14.5	16.5	17.4	15.2	41.7	45.3	39.0	39.0	44.2	33.0	11.2	12.7	9.3	11.0	12.5	9.0
Atlanta, Ga.	37.1	45.2	29.0	35.2	40.6	29.9	14.4	18.3	11.0	13.5	17.6	10.1	32.9	35.1	30.8	29.6	33.8	25.5	10.2	10.4	10.0	8.0	8.2	7.8
Little Rock, Ark.*	—	—	—	—	41.0	49.8	—	—	—	18.4	20.8	16.0	—	—	—	—	—	—	—	—	—	—	—	—
Kansas City, Mo.	70.2	73.6	52.9	68.8	74.5	53.4	—	18.1	—	—	19.5	—	52.9	55.9	51.2	51.5	57.0	51.4	—	13.1	—	—	14.0	—
St. Louis, Mo.	56.4	64.7	51.7	57.6	68.8	51.6	19.2	23.6	16.6	20.0	26.3	15.9	47.5	52.0	40.4	43.5	53.4	37.9	—	—	—	—	16.4	—
Louisville, Ky.	47.7	60.1	40.5	43.1	44.0	41.4	15.3	19.5	9.3	14.3	16.2	10.9	41.6	55.0	32.0	41.0	53.3	32.0	12.9	13.9	12.0	10.2	13.6	6.8
Detroit, Mich.	53.9	67.6	41.8	55.6	66.8	45.5	25.0	30.4	17.2	25.3	33.0	16.1	50.2	52.8	47.2	51.5	52.7	49.5	—	—	—	—	—	—
Grand Rapids, Mich.	44.1	48.3	41.3	46.3	48.8	44.3	20.8	21.7	19.8	—	—	—	49.6	64.7	35.3	42.5	48.3	34.0	16.6	20.9	12.0	18.2	22.1	15.2
Cincinnati, O.	55.2	60.0	50.2	53.5	58.9	50.1	17.2	19.9	12.7	16.4	20.6	12.4	49.6	54.8	39.0	48.5	57.6	40.4	—	—	—	—	—	—
Cleveland, O.	49.7	54.7	48.2	50.3	53.9	44.3	20.2	24.1	17.7	19.7	22.1	17.5	44.3	48.1	42.6	44.8	49.1	43.6	10.7	17.0	9.0	10.5	12.0	8.8
Columbus, O.	44.2	51.2	39.0	46.1	50.9	30.0	13.4	13.9	13.0	14.5	15.1	14.0	51.8	52.3	51.4	52.4	53.1	51.8	10.5	11.6	9.5	—	—	—
Toledo, O.	53.2	59.8	46.7	54.9	62.4	47.5	20.2	22.2	20.1	21.7	22.7	21.0	50.8	62.0	40.5	43.6	46.7	40.4	—	—	—	—	—	—
Youngstown, O.	48.7	51.2	46.1	49.0	49.9	48.1	16.7	16.7	16.6	17.1	17.2	16.9	—	44.2	—	—	45.6	—	18.5	21.0	15.7	17.8	20.2	16.0
Milwaukee, Wis.	54.2	59.9	45.9	51.1	57.1	44.1	20.3	23.7	19.5	19.0	22.3	17.9	42.8	54.8	28.0	40.4	52.8	27.0	11.3	13.9	8.4	10.6	12.2	9.5
Cedar Rapids, Ia.	53.5	57.3	39.0	55.2	55.5	42.1	21.8	24.0	19.6	20.4	22.6	18.2	—	—	—	—	—	—	—	—	—	—	—	—
Davenport, Ia.	51.2	52.2	50.2	48.3	51.8	44.9	15.1	15.2	13.9	13.8	14.7	8.8	—	—	—	—	—	—	20.8	—	—	—	17.5	—
Des Moines, Ia.	50.4	51.0	41.3	45.4	48.7	37.7	—	11.0	—	—	11.5	—	44.9	57.3	42.5	42.4	51.7	38.0	—	—	—	—	—	—
Sioux City, Ia.	46.7	49.0	43.4	46.7	46.8	46.2	17.9	20.0	15.9	20.8	25.8	15.2	—	44.0	—	—	42.0	—	—	15.6	—	—	15.2	—
Minneapolis, Minn.	63.5	66.4	61.1	64.7	66.9	61.4	19.5	21.4	15.1	19.9	24.7	15.3	63.8	65.9	61.7	61.4	65.6	57.1	—	—	—	—	—	—
St. Paul, Minn.	53.5	60.5	48.8	53.7	58.1	49.6	20.7	22.2	19.4	21.1	22.4	19.9	42.7	48.8	34.0	40.6	48.1	31.0	—	—	—	—	—	—
Omaha, Neb.	—	44.3	—	—	44.3	—	—	11.1	—	—	11.9	—	42.6	46.5	40.4	45.2	49.2	38.6	—	—	—	—	—	—
Tulsa, Okla.	57.2	67.0	38.6	59.3	71.0	42.2	23.8	29.8	12.8	23.1	32.0	13.9	47.0	54.0	40.0	45.3	51.6	39.0	—	—	—	—	—	—
San Antonio, Tex.	43.4	51.2	35.6	43.0	50.1	36.0	10.1	13.3	7.9	12.6	13.4	12.0	43.5	50.5	36.8	44.3	49.3	38.0	10.4	10.8	9.7	11.0	21.0	12.0
Denver, Colo.	44.6	50.9	41.5	43.6	53.6	42.5	14.1	17.3	13.4	16.0	23.0	13.8	46.0	46.1	45.9	44.7	46.6	42.7	10.1	11.0	9.2	9.5	10.5	8.6
Salt Lake City, Utah*	—	—	—	50.7	56.0	43.7	—	—	—	19.4	22.0	17.7	—	—	—	—	—	—	—	—	—	—	—	—
Casper, Wyo.	—	104.1	—	75.3	106.7	44.0	—	—	—	—	—	—	—	—	—	—	50.5	—	—	—	—	—	—	—
Portland, Ore.	42.4	52.5	40.5	40.4	70.9	38.9	14.6	16.5	14.2	15.0	16.3	14.3	37.8	46.0	43.1	43.4	46.8	36.1	—	—	—	—	—	—
Spokane, Wash.	51.5	52.8	50.2	48.1	52.5	43.7	11.7	12.7	10.8	11.9	13.0	10.9	52.0	58.5	35.0	51.7	66.0	50.0	—	—	—	—	—	—
Los Angeles, Calif.	61.8	65.3	52.8	62.0	64.8	50.8	18.7	20.7	17.3	17.6	19.2	16.0	46.7	59.2	46.0	52.2	57.4	47.0	—	—	—	—	—	—
Oakland, Calif.	44.0	48.2	39.7	46.6	50.9	43.4	16.8	23.7	15.2	16.6	24.1	16.4	41.1	50.8	31.5	37.3	42.3	32.4	—	19.4	—	—	19.5	—
San Francisco, Calif.	42.7	49.1	34.6	42.3	49.5	36.5	18.8	20.7	15.3	17.5	19.8	15.2	36.4	40.4	30.7	38.2	38.5	33.0	—	—	—	—	—	—
Santa Barbara, Calif.	52.4	77.5	38.4	54.0	62.4	42.3	—	—	—	—	—	—	46.4	51.0	37.5	55.5	70.6	42.8	—	—	—	—	—	—
Vancouver, B. C.	65.7	83.5	48.0	60.5	70.7	50.4	22.6	27.3	18.0	21.4	23.8	19.0	—	35.0	—	—	42.0	—	19.0	20.0	18.0	22.0	27.0	17.0
Victoria, B. C.	57.8	68.9	46.7	58.6	64.2	53.1	22.2	29.4	15.0	19.5	23.2	15.9	—	—	—	—	—	—	—	—	—	—	—	—
Ottawa, Ont.*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

*1940 figures not received at press time
*Installment

*Furriers

*Laundry

*Lumber
*Paper and Paint

*Fuel
*Cleaning and Dry

FORTY-EIGHT KEY CITIES COOPERATING WITH THE RESEARCH DIVISION—

The Form Letter-- A COLLECTION MONSTER

JOHN W. GRIFFITH

Comptroller, Moe Levy & Son, New York City

TODAY, "Charge Accounts" and "Time-Payment Accounts" are a legitimate and thriving business. The public has been educated to "Charge Accounts." They expect real value plus the convenience of charging what they buy, without having to pay a ridiculous price for the merchandise.

In the past few years, practically all retail organizations have installed a charge system. In the majority of cases it is a ten-week account, a three-month account, or a choice of either. Due to competition and anxiety to sell to this lucrative group, little or no provision has been made by retailers to offset the additional expense incurred in the operation of such a system.

The operating costs definitely fall into the lap of the collection executive. It is up to him to see that operating costs are kept at a minimum. A consensus of opinion reveals that weekly payment accounts should be inspected every ten days. This requires help; and help costs money. If he hires too much help his operating cost is thrown out of line. If he cuts down on help he is confronted with the worry of improper collection coverage. He can't eat—he can't sleep—he has nightmares visualizing huge credit losses. So, as a result, was born the wholesale use of the form letter, and routine slipshod collection dunning. "Cover your accounts often and cover them fast" became the collection man's byword.

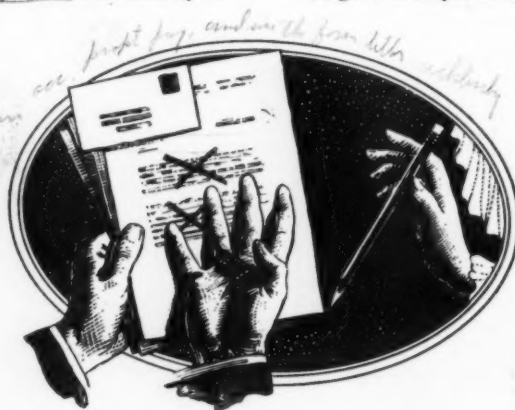
The evils of form letters cannot be overemphasized. The retail merchant whose small unit of sales and numerous accounts necessitate such collection forms, should be on his guard. Many thousands of dollars of gilt-edged business has been criminally driven from his door as a result of the misuse of the seemingly harmless routine collection forms.

(There is a definite tendency on the part of the inspector of accounts, to assume a rapid routine collection procedure. His instructions from the Collection Manager are that the accounts must be covered every ten days.) As a result, he has no time for telephone calls or individual

analysis of accounts. If letter No. 1 does not bring results, letter No. 2 follows. So on down the line until the delinquent balance is collected. To the inspector of accounts, the collection of the balance is a job well done. In one sense of the word, his job is complete, but only mechanically so. (Had just a little time been spent in analyzing the account the same result could have been obtained and a host of good will would have resulted on the part of the debtor.)

A good example of the evil that results from slipshod form letter dunning, can best be brought out by a case that recently occurred in the collection department of a large retail organization. A family of five adults had been excellent patrons of the organization over a period of many years. Each one carried an account in his own name. All the accounts were handled in a most satisfactory manner, with the exception of a rare request for an extension of payment due to illness and sundry reasons. As time went on, one of the accounts be-

came past due, and out went form letter No. 1. A few days later the elder member of the family called on the collection manager and explained that the delinquent member of the family had been committed to a mental institution as an incurable. He further expressed the feeling that the family felt a moral obligation on their part in connection with the account. He requested that the balance be transferred to his own account and thereupon agreed to pay certain terms. As time went on, other bills accumulated because of his son's confinement, as a result of which the account again became delinquent. He neglected to write and explain the delinquency, feeling that the amount due was an obligation taken over by him on a strictly moral basis. Whereupon, the wheels of the routine collection procedure started to turn. Out went letter No. 1, letter No. 2, letter No. 3, and finally the letter which says, in a sense, "pay or else!" As a result of this letter the balance was paid in full; but, the elder member of the family justifiably stated that neither he



nor any member of the family would ever buy from the organization again.

Immediately, you condemn the inspector of accounts as a stupid nincompoop. "He should have had brains enough," you say, "to handle the account as an individual case and not as a routine collection matter." This is all true, but with the weight of a heavy volume, and the responsibility of thousands of accounts to inspect every ten days, he is bound to make mistakes of this type. It is a known fact that such dunning methods are employed by many ten-payment plan houses of today. Unfortunately, for them, if such methods are continued, they will ultimately drive good business from their doors to the doors of their competitors.

Is it not far better to cover your accounts twice monthly, or even once a month and give them individual attention, in preference to three or four times monthly because of fear of credit losses? This is false economy.

The public has been educated to "Charge It"; you cannot educate them to abuse!

Samuel Butler Crowder

Samuel Butler Crowder, 85, father of L. S. Crowder, General Manager-Treasurer of this Association, died at his home in Louisville, Kentucky, January 30, 1941, after an



illness of six weeks. He was born in Henderson, Ky., and came to Louisville in 1887. He was a tobacco broker in Louisville for more than fifteen years in the hoghead market days and was later a dealer in timberlands in Arkansas and Florida until his retirement five years ago. He is survived by his wife, four sons, three daughters, two sisters and fifteen grandchildren.

With the full realization that words are futile and inadequate in a moment like this, we of the National Office join their many friends throughout the nation in offering our Mr. Crowder and his grief-stricken family our deepest sympathy.—A. H. H.



Letters To The Editor

"Congratulations on the January CREDIT WORLD. I think the cover is unusually attractive, and the article by Miss Symonds is interesting and especially well written."—Henry Martin, Credit Manager, Halliburton's, Oklahoma City, Okla.

* * *

"As a Canadian member I would like to express my sincere appreciation for the January CREDIT WORLD. I feel very proud of it, and trust that the tie that binds our two nations together will never be broken."—E. J. Patrick, Credit Manager, T. B. Lee, Ltd., Vancouver, B. C.

* * *

"May I congratulate you on the January CREDIT WORLD. The front cover is very attractive and the red, white, and blue color arrangement extremely effective."—Aline E. Hower, St. Louis, Mo.

* * *

"The January issue of The CREDIT WORLD is full of helpful and worthwhile articles for the average credit manager. Please send me a supply to be used in membership work for the National Association."—M. W. Amador, Credit Manager, Diamond Dry Goods Co., Phoenix, Arizona.

* * *

"I want to tell you that I certainly enjoy reading your CREDIT WORLD magazine. I have found many new ideas and a great deal of helpful information in it."—L. Gordon, Credit Manager, Gates Dry Goods Co., Fort Dodge, Iowa.

* * *

"A glance through the 1939 Cost Study indicates that it is not as yet sufficiently broad in its scope; however, I believe that future studies will be more conclusive, and I think they will be of considerable help to credit executives and merchants they represent."—Ralph W. Watson, Watson & Co., Spokane, Wash.

* * *

"The article in the January CREDIT WORLD entitled 'Should Credit Terms Be Competitive?' by Miss Violet Symonds, is one of the best and most timely you have published."—R. Leo Frye, Credit Manager, Rothschild's B & M, Oklahoma City, Okla.

* * *

"I think The CREDIT WORLD is a fine contribution to the credit profession. I also think that you have done an excellent job in publishing *Retail Credit Fundamentals* by Dr. Clyde Wm. Phelps, and *Streamlined Letters* by Waldo J. Marra. These books have been very helpful in our department. I hope that you continue this fine service by sponsoring additional publications."—William Stockton, Credit Manager, The Atlantic Refining Company, Philadelphia, Pa.

* * *

"The CREDIT WORLD is thoroughly enjoyed by all of us and has proved very helpful on many occasions."—John S. Coomer, Coomer Jewelry Co., Denver, Colo.

* * *

"I have just received a wire from Boise stating they have accepted the plan for changing their Association over to a national basis."—Walter A. Jensen, Field Secretary, National Retail Credit Association.

* * *

"I was very much interested in the article by Miss Violet Symonds in the January CREDIT WORLD. It states the case plainly and is so pertinent at this time. I suggest that it be reprinted in publications that reach the desks of executives in charge of leading department stores throughout the country."—W. W. Weir, Credit Sales Manager, The May Co., Los Angeles, Calif.

San Francisco Election Results

At the annual meeting of the Associated Retail Credit Men of San Francisco, held January 16, the following officers and directors were elected: President, W. F. Bradley, S. & G. Gump Co.; Vice-President, Melvin Bixel, Moore, Ltd.; Treasurer, Walter V. Howe, Sommer & Kaufmann; and Secretary, C. J. Benson, Retailers Credit Association. Directors: Frank J. Gaspar, Gilmore Oil Co.; Andrew W. Christopher, The Morris Plan Co.; Frank T. Ashwin, Lachman Bros.; Frank Batty, Hale Bros. Stores, Inc.; Frank D. Francis, The Emporium; Joseph E. Noonan, Shreve, Treat & Eacret; S. A. Schneider, Krout & Schneider; Robert H. Clifton, Chas. Brown & Sons; and Fred Baxter. Under the able leadership of these officers and directors the Association expects to continue their progressive activities throughout 1941.

Chicago Credit Women's Breakfast Club

Chicago has organized a Credit Women's Breakfast Club, to add to the rapidly growing national organization of credit women's clubs. Forty girls, representing 25 Chicago stores, met and voted on January 24 to organize and affiliate with the District and National organizations. Officers elected were: President, Miss Ivy Anderson, Crawford Department Store; Vice-President, Mrs. Lillian Lapham, Boston Store; Secretary, Mrs. Alma Beisel, Mandel Brothers; and Treasurer, Miss Mercedes Powers, The Fair Store.

Silverson Guest at Nashville

M. B. Silverson, Credit Manager, The Landres Co., Memphis, Tenn., and President of the Fourth District, National Retail Credit Association, was guest speaker at the monthly meeting of the Nashville Retail Credit Association, on January 16. H. L. Reagan, Cain-Sloan Co., was in charge of the program. The meeting was presided over by J. E. Wells, Jr., President of the Association. Below is a picture of the meeting.



Vaughan President of New Firm

Paul C. Vaughan recently resigned from Loveman, Joseph & Loeb, Birmingham, to become President of a new retail ready-to-wear firm, Vaughan-Weil, Inc., in that city.

Minneapolis Election

New officers and directors of the Retail Credit Association of Minneapolis, Minn., recently elected are: President, Harold R. Gabrielson, Marquette National Bank; Vice-President, W. D. Clinton, Hawthorn Fuel Co.; Secretary, A. C. Stevensen, Minneapolis Credit Exchange; and Treasurer, Ethel K. Bellock, Hennepin Hardware Co. Directors: Milton J. Solon; M. A. Askerman; Mabel H. Miller; C. R. Campbell; C. E. Youngquist; Henry W. Hoklas; Rustan O. Thayer; N. M. Thompson; Gordon J. MacGregor; and Warren Wells Fisk.

Newspaper Article Applauds Louisville Bureau

The magazine section of the *Louisville Courier Journal* for Sunday, November 17, 1940, featured a full-page write up about the history and activities of the Louisville Unit of the National Retail Credit Association. It was titled "Whatever Your Habits Credit Men Know Them." In an interview Mr. Carson L. Bard, Manager, The Credit Rating Company, supplied the information for the story.

Cameron to Speak at Racine

One of the outstanding speakers to be heard at the 13th District Conference in Racine, Wis., May 18, 19, and 20, will be W. J. Cameron of the Ford Motor Co. He is heard on the radio every Sunday on the "Sunday Evening Hour" program. His subject will be announced later. Mr. Cameron is only one of the many well known speakers who will address the 13th District Conference which will be held in conjunction with the Wisconsin Retail Credit Association and Associated Credit Bureaus.

CREDIT FLASHES

Salt Lake City Credit Men Elect

The annual meeting of the Associated Retail Credit Men of Salt Lake City, was held February 17 with the

largest attendance in the history of the Organization. Officers and Directors elected were: President, Alex J. Jex, Peoples Finance & Thrift Co.; Vice-President, Kenneth P. Todd, Mountain States Telephone Co.; Treasurer, Wendell Romney, Z. C. M. I. Dry Goods; and Secretary-Manager, Harry P. Earl. Directors: L. E. Banker, Utah Oil Refining Co.; George E. Burton, H.



Alex J. Jex

Dinwoodey Furn. Co.; Roderick E. Langton, Salt Lake Tribune-Telegram Co.; Warren McGuire, Personal Finance Co.; H. Robert Pedersen, Bamberger Coal Co.; and Fred E. Pike, Walker Bank & Trust Co.

Wisconsin Association Sponsors Essay Contest

With the aim of developing an appreciation of sound credit and its value to every individual, the Wisconsin Retail Credit Association is sponsoring its first annual prize essay contest. Eligible, are all juniors and seniors in public or parochial high schools in the State, as well as day students of vocational schools under 20 years of age. Title of the essay subject is "How I Plan to Use My Credit." First prize is \$35.00; second prize \$20.00; third prize, \$10.00; and fourth to tenth prizes inclusive, \$5.00.

Orchids to Lincoln

For the first time in its history, the Lincoln Retail Credit Association, Lincoln, Neb., is in such good financial condition as to allow the expenses of the President, and the transportation of one member of each firm, to the Sixth District Conference to be held in Sioux City, Iowa, March 16, 17, and 18. Sixty delegates are expected to go, according to the Chairman of the Committee, Mr. Joe E. Owens, Credit Manager, Miller and Paine.

Positions Wanted

AVAILABLE IMMEDIATELY—Credit and Collection Manager of highest calibre. Thoroughly trained in accounting, office management, financing and other office requirements. Address Box 35, CREDIT WORLD.

CREDIT MANAGER—Age 37, 15 years' experience in handling retail and wholesale credits and office managing, desires to make a new connection, preferably in the Middle West, handling credits only. Best of references. Sufficient time must be allowed for notice to present employer. Address Box 36, CREDIT WORLD.

BAROMETER

of Retail

BUSINESS

Sales and Collection Trends

January, 1941, vs. January, 1940

Compiled by Research Division, National Retail Credit Association

Arthur H. Hert, Research Director

CREDIT sales increased 3.1 per cent during January; total sales 8.3 per cent; and collections 2.0 per cent, in the United States and Canada, as compared with January, 1940. Again these increases were attributed to larger pay rolls as a result of preparations for the defense program.

Highlights of the monthly analysis are shown in the tables below:

Highlights for January

- 55 Cities reporting.
- 21,307 Retail stores represented.
- COLLECTIONS**
- 33 Cities reported increases.
- 2.0% Was the average increase for all cities.
- 33.0% Was the greatest increase (Gallup, N. M.).
- 8 Cities reported no change.
- 14 Cities reported decreases.
- 4.7% Was the greatest decrease (El Paso, Texas).

CREDIT SALES

- 42 Cities reported increases.
- 3.1% Was the average increase for all cities.
- 25.3% Was the greatest increase (Nashville, Tenn.).
- 3 Cities reported no change.
- 10 Cities reported decreases.
- 5.0% Was the greatest decrease (Gallup, N. M.).

TOTAL SALES

- 51 Cities reported increases.
- 8.3% Was the average increase for all cities.
- 28.3% Was the greatest increase (Abilene, Texas).
- 3 Cities reported no change.
- 1 City reported a decrease (5.0%—Gallup, N. M.).



The Credit Clinic

Conducted by

ARTHUR H. HERT, Research Director

... A "give-and-take" page, wherein readers may ask—and answer—questions about their credit and collection problems and solve them in the laboratory of practical experience ...

Service Charges for Cashing Checks

THE DESIRABILITY of making a service charge for cashing checks, its advantages and disadvantages, is *The Credit Clinic* problem this month. To supply the answer, we wrote 51 members for expressions as to their experiences in this regard. We received 31 replies to our questionnaire, or a total of 60.8 per cent. Of that 31, 22 or 71.0 per cent did not make a service charge, while 9 or 29.0 per cent replied in the affirmative. Here are some of the replies:

★ ★ ★

Boise, Idaho: We do not make a service charge for cashing checks. We have a strict policy requiring positive identification and our loss on bad checks is very low (only \$10.00 during 1940). Possibly a service charge is necessary where a liberal policy is in effect.

★ ★ ★

Casper, Wyo.: It is our policy to get complete identification on checks, and encourage customers to cash them without any service charge. We feel that it is a good will builder, and have no inclination of assessing a service charge.

★ ★ ★

Chicago, Ill.: We charge five cents for checks under \$50.00, and ten cents for those over \$50.00. This helps partially cover losses, and discourages abuse of check cashing privilege. We make the same charge for payroll as individual checks. There were a few complaints, but most of the stores in this city make a charge, hence there was no unfavorable reaction against us. Announcement was made through a small sign at the general cashier's window. We cash from three to four million dollars' worth of checks annually. If we were not now doing so we would inaugurate the policy of making a service charge, considering our past experience. We do not charge for cashing checks for regular charge or budget customers; customers making a purchase or paying on a Will Call; C.O.D. etc.; nor employees. Exchange on out-of-town items is added to service charge wherever it applies. We do not greatly encourage the cashing of checks.

★ ★ ★

Cleveland, Ohio: We do not make a service charge for cashing checks. We would inaugurate the policy if it were adopted as a community credit policy.

There is a certain expense involved in cashing checks, but the merchandise man says this is offset by getting a customer into the store. In the final analysis it will be a contest between the credit man and merchandise man to decide whether or not to charge a fee.

★ ★ ★

Cleveland, Ohio: We do not make a service charge for cashing checks. We cash thousands of checks every month and so far our management cannot be sold on the desirability of instituting a charge. It may come in time.

★ ★ ★

Minneapolis, Minn.: Following is our schedule for cashing checks:

	Service Charge	Exchange Charge	Total Charge
<i>Local checks and St. Paul, Chicago, New York</i>			
Up to \$25.00	.03		.03
\$25.00 to \$100.00, inclusive	.05		.05
Over \$100.00, at the rate of five cents for each additional \$100.00. On each check over \$200.00 drawn on Chicago or New York, a current exchange charge would be collected in addition to the service charge.			
<i>Out-of-town checks at par or collectible through the Federal Reserve Bank</i>			
Up to \$25.00	.03	.03	.06
\$25.00 to \$100.00, inclusive	.05	.05	.10
\$100.00 to \$200.00, inclusive	.10	.07	.17
Over \$200.00, at the rate of five cents for each additional \$100.00, plus the current exchange charge.			
<i>Not collectible through Federal Reserve Bank</i>			
Up to \$100.00	.03	.10	.13
\$10.00 to \$25.00, inclusive	.03	.15	.18
\$25.00 to \$100.00, inclusive	.05	.15	.20
Over \$100.00, at the rate of five cents for each additional \$100.00, plus an exchange charge of 15 cents per hundred dollars or fraction thereof.			

The advantage of making a service charge for cashing checks is that it pays for the operation of check cashing service. The public readily accepted these charges when they were first inaugurated and there was no adverse reaction.

Des Moines, Ia.: Our store does not charge for the service of cashing checks. Our management has never felt that our community was one in which a charge for cashing checks should be inaugurated.

★ ★ ★

Memphis, Tenn.: We would not make a charge for cashing checks unless all the other stores in the city agreed to do the same. We believe that cashing checks without a charge is a good will builder.

★ ★ ★

New Orleans, La.: We charge two cents on all personal and salary checks plus exchange for out-of-town checks. This charge was inaugurated by the banks of this city. At first we had many complaints, but have none now. This charge is absorbed by us if the customer is making a payment on her account or buying merchandise for cash. We request the customer to pay the fee only when the check is cashed outright.

★ ★ ★

Oakland, Calif.: Due to the large increase in the number of requests for accommodation check cashing, it was necessary for us to charge a fee of three cents for cashing checks up to and including \$25.00; and a fee of five cents for the cashing of all checks over \$25.00. This charge does not apply to checks presented in payment for merchandise where not more than \$25.00 is given in change. This fee partially compensates us for the cost of waiting on these customers, who in many cases do not make purchases but simply cash checks.

★ ★ ★

Omaha, Neb.: We charge only on out-of-town checks. The charge is fifteen cents regardless of the amount, and is made only if customer is not paying on bill or making a purchase. This charge helps materially in offsetting the charges banks make these days on collecting items for you. Occasionally a customer is dissatisfied, but we believe the money received justifies the charge. The same charge is made for payroll checks as for individual. No announcement was made; the action was agreed upon by the Associated Retailers and individual stores put it into effect. There has been some little difficulty because of certain stores not enforcing the rules; however, we had no serious public reaction against it. If a person took the check to the bank to have it cashed, he would have to be known and the bank would charge him for handling the check.

★ ★ ★

Pittsburgh, Pa.: We cash payroll and personal checks without charge when they are properly identified. Any customer paying her account by check and is to receive change for more than \$5.00, is asked to have it okayed at Office No. 5. The clerk in that office is experienced in okaying checks and has other duties in connection with this work. No other store in town charges a fee. We will not charge a fee unless it becomes a part of the Community Credit Policy for our department stores, and in that case we would be willing to cooperate.

★ ★ ★

Portland, Ore.: We do not make a service charge for cashing checks, but believe the additional income would offset part of expense. Disadvantages would be:

added services expected by customers; and attraction of additional loss and business. Competition would force it out unless it were a community policy.

★ ★ ★

San Francisco, Calif.: We charge three cents for cashing checks up to \$25.00 and five cents on all checks over \$25.00. We make the same charge for both payroll and individual checks. While we make a charge, we do not believe that the department stores should allow themselves to become clearing houses for the banks.

★ ★ ★

St. Louis, Mo.: For many years the merchants of St. Louis, large as well as small, have invited their customers to come in and have their checks cashed without charge. I do not believe that a charge could be successfully made unless all stores would cooperate.

★ ★ ★

St. Paul, Minn.: We have made a service charge for cashing checks for many years. However, if a customer makes a purchase, we do not add the charge. We have found little or no objection to this policy. The remuneration easily pays the loss incurred on checks.

★ ★ ★

Worcester, Mass.: We do not charge for cashing checks as it would offend our customers and drive away business. Cashing checks is an important part of our service to customers. In the majority of cases, when checks are cashed, merchandise has already been bought. We require positive identification and often phone the bank to see if there are sufficient funds to cover the check. If the bank is a long distance away and the check is sizable, we refuse to cash the check. Our losses are negligible.

★ ★ ★

Youngstown, Ohio: We make a service charge of five cents for every check cashed. If the customer has a charge account, we do not add the charge. We have never had any complaints on this policy.

Positions Wanted

CREDIT MANAGER—Desires change. Has fifteen years' experience in one of largest department stores in country, thoroughly versed in all phases of credit work; monthly, coupon and budget accounts. Also able to assume full charge of credit office. Can furnish best of references. Address Box 31, CREDIT WORLD.

CREDIT MANAGER—Eighteen years' experience in two large department stores in South and Middle West. Age 38. Married. Excellent references. Address Box 34, CREDIT WORLD.

Help Wanted

CAPABLE MAN to manage new collection department of a credit bureau in midwestern city of 75,000. Give qualifications and salary expected. Box 33, CREDIT WORLD.

CREDIT MANAGER—Appliance and Music store in town of 15,000. Desires man to handle credits and collections. State qualifications and salary expected in first letter. Address Box 32, CREDIT WORLD.



IT CAN BE DONE," said Robert A. Ross, Chairman of the Educational Committees of the Dallas Retail Credit Men's Association and the National Retail Credit Association. He was issuing a challenge to Texas credit executives to make this year's Streamlined Letter-Writing Credit Schools "bigger and better" than last year's, devoted to Retail Credit Fundamentals, which were the largest in the nation. It was done and here is how we did it:

The Eighth District held a meeting of the educational directors of Credit Associations from fifteen cities that had promised to organize classes in the spring and fall. The five large cities in Texas, Dallas, Houston, Fort Worth, San Antonio and Austin, agreed to invite Waldo J. Marra, author of the textbook *STREAMLINED LETTERS*, published by the National Retail Credit Association, to conduct several of the lectures. As Mr. Marra could give only ten days of his time to this work, he agreed to open each School and give the first two lectures. His expenses were underwritten by the five large cities. Plans were then made for a uniform descriptive folder announcing the Schools.

Dallas has the distinction of having the largest School in the District to date. To secure enrollments we obtained the rosters of the Chamber of Commerce, Junior C. of C., and all luncheon clubs. To this we added the membership list of our Credit Men's Association and Credit Bureau. The list comprised about 3,500 names after we eliminated duplications. Two weeks before the School opened we sent a letter announcing the course to this list of names, and two days later mailed the descriptive folder which contained an enrollment card. Due to Mr. Marra's banking connections, the Dallas Chapter of the American Institute of Banking distributed, through the counselors of each member bank, the folder announcing the course. Samples of the announcement folder and letters used in our campaign are available from the National Office.

The next step was to employ two young ladies to follow up the entire mailing list by telephone for eight days before the School opened. These girls were selected for intelligence, voice, and ability to sell. They called the president or general manager of each firm; explained the course as being a non-commercial activity of the Dallas Retail Credit Men's Association; and inquired if anyone in the firm might be interested. Upon receiving such

"It Can Be Done . . ."

J. E. R. CHILTON, JR.

Secretary-Treasurer, Eighth District (Texas) National Retail Credit Association

names, each one was called and informed that he or she was recommended for this study course by an official of the firm. We received some publicity through the monthly publication of the Chamber of Commerce and the local newspapers carried announcements every week for a month before the School started. In addition we ran a two column by six inch ad in each of our two newspapers on the Sunday before the School opened.

The result of all these efforts was an enrollment of 420 each receiving a textbook. Some of the firms with a large enrollment of employees are: Sears Roebuck & Co., 51; Neiman Marcus, 23; Home Owners Loan Corporation, 21; Dallas National Bank, 11; Arthur A. Everts, 11; and Reynolds-Penland Co., 11. The cost of the course is \$5.00 which includes the text and reference book *STREAMLINED LETTERS*. Above is a picture of the students attending the second lecture. About one hundred were crowded out of this photo.

Meeting place is the donated auditorium of the Dallas Power and Light Company. Classes are held from 6:30 to 8:30. The course is divided into eight lectures. One lecture has been added which is not ordinarily included, entitled "Legal Phases of Letters—Avoid Embarrassing Complications," by C. S. Potts, Dean of the Law School, Southern Methodist University. All the lecturers for the course were selected for their experience and ability to handle large audiences. No Dallas credit executives are lecturers as they have agreed to give the lectures in other Schools throughout the State.

With Dallas as a starter we conclude that "It Can Be Done." The success in our city was the result of the untiring efforts of Mr. Ross and Mr. H. M. Tobolowsky, Co-Chairman of the Educational Committee of the Dallas Association. The educational activities of the Eighth District are under the able supervision of Arthur Boaz, San Antonio, Chairman of the Educational Committee for the District. These educational accomplishments might well be an inspiration to other Districts proving the challenge "It Can Be Done."

STREAMLINED LETTERS

By **WALDO J. MARRA**

Correspondence Director, Bank of America
San Francisco, California

T*his book* discusses the subject of letter writing as one aspect of salesmanship, and shows how every business letter is a sales letter. It is practical to the extreme, covering actual letter writing problems that a dictator has to confront every day and shows how to handle them efficiently and constructively.

- Why is every business letter a sales letter?
- Do you think your letter through "before" dictating, or "after"?
- Have you a vocabulary equal to the ideas you want to express?
- How do leading retail firms handle their correspondence?
- Do you use "dollars and cents" methods of beginning a letter?
- Do you "circumnavigate" the subject of your letter?
- Do you know when "not" to stop your letters?
- Do your letters carry "eye" appeal?
- How do you say "No" graciously to a customer?
- Are your letters action-compelling?

T*hese and a hundred other questions* are answered for you in a clear-cut, interesting manner in this new book.

Another feature is that it can be effectively adapted as the text for a course in Streamlined Letters. It is available to credit bureaus and credit associations in lots of 25 or more for Credit School purposes *only*, at \$2.50 per copy. Single copies, \$4.00.

A manual prepared exclusively for the instructor is also available at \$3.00. Write the National Office for your free copy of "How to Organize and Conduct Credit Schools."

NATIONAL RETAIL CREDIT ASSOCIATION

1218 OLIVE STREET

ST. LOUIS, MISSOURI

Hospital QUIET

Disturbed by Credit Problems



HOSPITAL AFFAIRS are rarely discussed outside of the medical circle. For this reason, the relations between hospitals and the public are not as ideal as we wish them to be.

What are hospitals? They are clean places where sick people are sheltered. They are built on a code of ethics to be of service to humanity. The

first consideration of a hospital is for the welfare of the patient. All of the facilities of a hospital are available to its patients, each and every one alike—those with money, those with some money, and those without money. Your customers come to you, the firm of their choice, to bargain for a specific article, at a specific price, with a fairly well organized plan as to how they can pay. They are the aggressor. Your credit department approves the applicant. You grant the credit on security.

Hospital the Aggressor

They come to us in an entirely different frame of mind. They were sent by their doctors. They are ill, frightened, worried about the expense, not knowing how long they will have to stay nor how much the service will cost. We don't know. They are on the defensive and we are the aggressor. We grant credit with only the moral obligation to pay. When people enter a hospital, they not only take on that expense, but the doctor's bill as well. Perhaps more than one doctor is needed; special nurses are often required; expenses at home must go on; former obligations must be met; and they lose time and salary if they are employed.

The mention of "hospital" is often associated, not with the service they extend, but with "money." With all of their ethics and humanitarian principles, they must be practical. The average hospital requires a large working staff, aside from the nursing staff, which is highly specialized. Employment is offered to other groups. Large laundry facilities are necessary, also housekeepers, seamstresses, engineers, kitchen and dining room helpers, painters, carpenters, purchasing agent, and storekeeper, always on duty to give service.

Not Credit Institutions

Most of the persons sent to a hospital are ambulatory and well able to transact business. That is why money

is usually paid at that time. The entrance application is taken much in the same manner as your credit application, perhaps a bit more in detail, especially regarding family connections. This proves very valuable should the account become a collection problem. After the application is taken, the rates are explained and the patient is asked how he wishes to take care of the account. The application is not taken by the credit department, but by a clerk. We expect each account to be taken care of on a cash basis. Hospitals are not set up as credit institutions.

There are two periods in the course of one's hospitalization when time is an important factor. The first is on entrance. The patient was sent to the hospital to go to bed, and any delay in the business procedure causes this person to feel he is not getting what he came for. The second period is when the patient is discharged. Any delay on the part of the business office causes that person to feel he is being held against his will.

After the patient is put to bed, the credit department, in checking the account, seldom finds that an account is entirely paid up in advance or definite arrangements made, regardless of the intentions of the patient. People want to see what they are getting before they pay out their money. They are like the man who carries a balance on his account because he feels he is getting better service. As closely associated as the nursing and business department of a hospital must be, the nursing department does not know how or when a patient pays his account.

Every Patient a Credit Risk

Each person who comes to the hospital becomes a credit risk to be investigated. Each account must be analyzed according to the background of the patient; the size of the account; the conditions under which the account was acquired; the capacity of the patient to pay; and the credit report.

Every opportunity is given the patient or his family to contact the business office, and when they fail to contact us, we must contact them. Some member of the family is asked to come to the office. If the patient's condition is such that



he can discuss business affairs, he is very anxious to arrange for himself any details about the account.

Illness is controlled by no one. Perhaps the intention of the patient was to pay all of his account upon his discharge, but he had to stay longer than he had planned. Perhaps the account is higher than he anticipated, or the money he expected did not arrive. There are many reasons, through no fault of the patients or the hospital, why they cannot pay. We have not set scheme for installment payments. We must fit our arrangements to the patient's capacity to pay. Each problem requires individual attention, cooperation of the patient, sympathetic understanding, and business sense.

Welfare of Patients First Consideration

It is the impression of the outsider that when one cannot pay his account he is moved out. Each patient was sent to the hospital to receive the service we have to offer. He was sent by his doctor. The hospital is the doctor's workshop. Every person who cannot pay is not necessarily entitled to public aid. He is very often too ill to be moved, and when one is dealing with human life, that patient cannot be whisked about to satisfy the whims of a credit manager. We have the doctor to consider. His first consideration is the welfare of the patient, and the hospital must cooperate with him until the patient may be safely transferred. When these conditions exist, it is the business of the credit department to work out a plan satisfactory to the patient and the hospital.

Because we are forced to extend credit promiscuously, we take huge losses. Credit in a hospital simply breaks out and we have to make the best of it. It goes on every hour of the day and night, and every day in the year.

The people we see in the hospital are the same ones we saw in the community today and we expect to see them there again tomorrow. We find that most people are essentially honest and will try to pay their bills. Each hospital in every community is always ready to lend a helping hand to those in need.

District Five at Louisville

With an attendance of more than 350, and a highly instructive and interesting program, the Fifth District Conference held at Louisville, February 9, 10 and 11, could not help but be the big success that it was. The three day program included election of officers and directors as follows: President, O. L. Pfau, Strouss-Hirshberg Co., Youngstown, Ohio; Vice-President, R. H. Laethem, Borden's Farm Products Co. of Michigan, Detroit, Mich.; and Secretary-Treasurer, R. S. Williams, Elder & Johnson Co., Dayton, Ohio. Directors: Harold Crouch, Stearns Coal Co., Louisville, Ky.; Walter Lawrence, Woods Auto Service, Battle Creek, Mich.; Clyde C. Kortz, The Higbee Co., Cleveland, Ohio; Chas. H. Dicken, Mabley & Carew Co., Cincinnati, Ohio; Miss Lucile Libhart, Ohio Fuel Gas Co., Sandusky, Ohio; and F. J. Redding, The J. W. Rowlands Co., Lima, Ohio. Harry F. Reid, Consumers Power Co., Jackson, Mich., was elected National Director, and Gordon W. Fischer, Tuttle & Clark Co., Detroit, Mich., Alternate National Director. It was decided that the 1942 Conference would be a joint meeting with District Thirteen, at Grand Rapids, Mich.

A Professional Insert

This insert was designed especially for the physician, the hospital, the dentist and the druggist, to create a desire to pay bills promptly. Thousands have been used. Attractive and attention getting, it carries human interest copy which "brings home the bacon."

TEST

TELLS



The PHYSICIAN...



The HOSPITAL...



The DENTIST...



The DRUGGIST...are entitled...



TO THE SAME PROMPTNESS IN THE PAYMENT OF THEIR ACCOUNTS—AS YOU EXPECT FROM THEM IN EMERGENCIES

When emergencies arise, when tragedy impends, they are expected to respond—night or day, in fair weather or foul—and they do.

But, too often, their same promptness is not shown when time for payment comes. IS THAT FAIR?

They have bills to meet, too! And families to support and employees to be paid—just like the rest of us.

And remember, how you pay them is known to the retail stores—and how you pay the stores is known to them also—through your record at the credit bureau.

To keep your credit record clear, PAY ALL BILLS PROMPTLY—by the tenth or as agreed.



NATIONAL RETAIL CREDIT ASSOCIATION

• • National in name... International in scope • •

EXECUTIVE OFFICES • • • ST. LOUIS

Printed in Bronze Blue ink on Light Blue paper. Size 3 1/8" x 5 1/4". Order from your Credit Bureau or National Office. Price \$2.00 per thousand.

National Retail Credit Association

1218 Olive Street

St. Louis, Mo.

★ ★ *Convention News* ★ ★

★ ★ *Twenty-Ninth Annual Conference and Credit Sales Forum* ★ ★
June 16-19, 1941, Hotel New Yorker, New York City

★ ★ *By A. B. BUCKERIDGE* ★ ★

★ ★ *Executive Secretary, Associated Retail Credit Men of New York City* ★ ★

MR. LOUIS H. JACOBS, Ovington's, Chairman of the Group Conferences Committee, reports a Newspaper Group has been added. Sufficient requests have been received from newspaper credit and collection managers to warrant the forming of this group, and invitations are now being extended for a National Chairman. The New York Co-Chairmen are also being lined up. This Group was well represented at the San Francisco Convention and in view of the large number of newspapers in the East it is expected to have a very large attendance.

The Hotel Group is exceedingly busy, and it is expected that there will be several hundred delegates in this field alone.

According to Chairman Jacobs, the New York Committee will be glad to arrange for any other groups where there is sufficient attendance to warrant them. He has already received a number of requests and is interested in hearing from others who would like to have group sessions for their particular type of business.

Chairman Jacobs is emphatic in his opinion that the group meetings are going to be more important this year than ever before, due to the many problems caused by defense preparations, and the possibility that if the war tempo becomes higher, additional problems will arise that will need the conservative study of every type of credit business. He states that the question of the proper credit policy today is most important. He points out that there is a possibility of further liberalization of terms to attract more volume, due to higher salaries being paid to men on defense projects. How far should this liberalization go? Is there a danger to the entire business structure if credit becomes too easy? What should be done to prevent the overloading of customers beyond their capacity to pay? If America enters the war will there be restrictions on credit? What significance is there to the recent statement of Mrs. Eleanor Roosevelt that people might be asked to forego the purchase of automobiles and invest that money in Government bonds?

The Group Conferences Committee is keeping a close watch on every credit and collection problem, adding them to the programs for the group sessions, and will continue to do so as convention time approaches, so that when the sessions are held the discussion will be centered on current policies and problems.

Every member is asked to write L. H. Jacobs, c/o Ovington's, 437 Fifth Avenue, New York City, and submit to him those topics which should be placed on the program.

The sixteen committees of the New York Association are now holding regular meetings, making plans for

the convention, and very shortly full information will be given by each Committee Chairman.

Advance registrations have been very heavy, and members who have already decided to attend are requested to send their reservations immediately to L. O. Doty, Credit Manager, Hotel New Yorker, and Chairman of the Hotel Registrations Committee.

The Credit Women's Breakfast Club of New York City are making elaborate plans for the convention, and the members of the Credit Women's Breakfast Clubs of North America are going to be delightfully surprised when they receive the complete program.

★ ★ ★

The Hotel New Yorker has received communications from many members who seem to be under the impression that it will be necessary to house delegates in various hotels in New York. The Hotel New Yorker has 2,500 rooms with a total sleeping capacity of 4,000 and will gladly handle reservations and accommodations for every one who plans to attend the Conference. They have gone to extra trouble to provide that no visitor will have to seek lodgings elsewhere, if he wants to stay with the crowd.

★ ★ ★

The General Convention Committee has opened an Information Bureau under the direction of A. J. Worsdell, Jr., who is the Secretary of the Committee. If you want information on any subject regarding the National Conference, where to go in New York City, how to get there, etc., address your inquiry to A. J. Worsdell, Jr., Credit Bureau of Greater New York, Inc., 55 Fifth Avenue, New York, N. Y.

★ ★ ★

An interesting angle of the reservations which have been received to date, and which are approaching the 300 mark, is the fact that single registrations are well in the minority. Most of the delegates are bringing their wives and in many cases the entire family. The dates on which they state they will arrive in New York and the time they will leave indicate that a large percentage of the delegates will spend their vacations in New York City. The committee which is in charge of making reservations for theaters, broadcasts and other attractions, has arranged to perform this service before the Conference opens and as long after it closes as the requests require. In addition, the Bureau has already started to secure literature from railroads, steamship agencies, summer resorts and aviation lines for sidetrips and tours, before and after the Convention. Requests already pouring in point toward great activity along these lines.

Streamlined

Advertising



**SHOP CAREFULLY and
AVOID "RETURNS"...**

A WORD TO THE WISE...

The wise woman realizes that the...

"Returned Goods"

practice has proved itself to be a huge economic waste, which is reflected in higher prices for what she buys.

 Help the local merchants to give you better service at lower cost by

Shopping Wisely!

 **PUBLISHER NOTE CAREFULLY:** This space is for Local Association signature to be set by you.

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15-S

MATS IN TWO SIZES

There are 17 ads in the new Streamlined series, which include 14 Pay Promptly and 3 Returned Goods ads. These come complete, in mats ready to hand to your newspaper in two popular sizes:

6 x 9 in. \$1.50 each
4 x 6 in. \$1.25 each

Advertisement No. 15 (in 4" x 6" size) is shown at left—actual size.

Size 8" x 12" (one-fourth of the ordinary newspaper page) may be obtained by giving several days' advance notice. Price \$2.00 each.

Write the National Office for
"A Portfolio of STREAMLINED Pay Promptly Advertising"

NATIONAL RETAIL CREDIT ASSOCIATION
1218 OLIVE STREET ST. LOUIS, MISSOURI

MARCH, 1941

29

CREDIT FLASHES

Houston Elects New Officers

At their annual meeting held January 22, the following officers and directors of the Houston Retail Credit Association were elected for the ensuing year: President, J. W. Waddle, Stowers Furniture Co.; 1st Vice-President, J. W. Kilpatrick, Merchants & Employees Industrial Bank; 2nd Vice-President, W. L. Jones, Houston Lighting & Power Co.; Secretary, C. W. Hurley, Retail Credit Exchange, Inc.; Assistant Secretary, J. Collier Hurley, Retail Credit Exchange, Inc.; and Treasurer, O. O. Lynn, Thos. Goggan & Bro. Directors: Mrs. Georgia Humphries; George B. Adams; Geo. L. Asbeck; Mrs. Vivian DuBus; A. E. Exley; O. C. Faulkner; R. E. Johnson; and L. A. Willbanks.

Spokane's 30th Annual Banquet

The 30th annual banquet of the Spokane Retail Credit Association, Spokane, Wash., was celebrated on January 16 with a program on the international theme. Two hundred members were present as well as many important guests. The principal address, entitled "Please Remit," was given by Dr. Frank Warren, President of Whitworth College in Spokane. New officers and directors installed were: President, M. Curry, Crescent Department Store; Vice-President, J. Don Morissey, Great Western Fuel Co.; Treasurer, Herbert Eshelman, Potlatch Lumber Co.; Secretary, N. M. MacLeod, Spokane Retail Credit Bureau; and Assistant Secretary, Melvin T. Warrick, Spokane Retail Credit Bureau. Directors: Fred G. Emry; Catherine Geraghty; B. L. Jenkins; Jack Pengelly; T. J. Fahay; and George W. Young.

In the picture below, the retiring President, R. T. Schatz (right) of the Washington Water Power, is shown turning over the gavel won at the San Francisco Convention in 1939 to M. Curry, the new President.



Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and Quebec, Canada) will meet May 7 and 8, 1941, at the New Ocean House, Swampscott, Massachusetts.

Districts Three and Four (Florida, Georgia, North Carolina, South Carolina, Alabama, Louisiana, Mississippi, and Tennessee) will meet April 14, 15, and 16, 1941, in Savannah, Georgia.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, and Manitoba, Canada) will meet March 16, 17, and 18, 1941, at the Martin Hotel, Sioux City, Iowa.

District Eight (Texas) will meet May 18, 19 and 20, 1941, at the Texas Hotel, Ft. Worth, Texas.

District Nine (Colorado, New Mexico, Utah, and Wyoming) will meet April 20, 21 and 22, 1941, at Salt Lake City, Utah.

District Ten (Idaho, Montana, Oregon, Washington, Alaska, Alberta, British Columbia and Saskatchewan, Canada) will meet May 12, 13 and 14, 1941, at the Winthrop Hotel, Tacoma, Washington.

District Eleven (Arizona, California, Hawaii, and Nevada) will meet in Sacramento, California, April 21 and 22, 1941.

District Thirteen (Illinois, Indiana, and Wisconsin, except Superior) will meet May 18, 19 and 20, 1941, at Racine, Wisconsin.

High Army Officials at San Antonio Meeting

Creating a greater spirit of cooperation among the army personnel with whom they are closely associated, the San Antonio Retail Credit Association had as their guests at a recent meeting, Major-General Walter E. Krueger, Commanding General of the 8th Corps Area, United States Army; Captain Stokes, Aide to General Krueger; and Major Stanton T. Smith, Commanding Officer of Brooks Field. General Krueger spoke on the requirements necessary for a man to be a good soldier. Dr. I. E. Stutsman, Superintendent of Schools of San Antonio, also attended and complimented the R. O. T. C. for the fine work it is doing in helping build the youth of America.

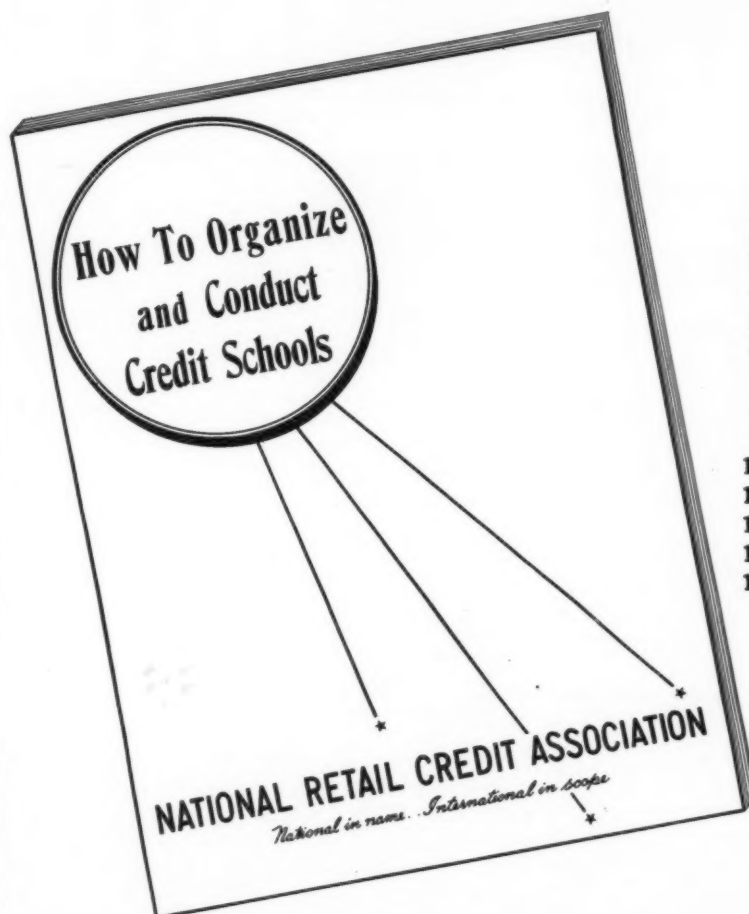
Mr. J. D. Peeler, Secretary-Treasurer, San Antonio Morris Plan Bank, a most loyal and active member of the Local and National Associations received the award of the Purple Heart in an official notification from the War Department, recently. It is a just reward for his bravery in the World War while a member of Machine Gun 357th Infantry.

Mayfield Reelected NRDGA Head

Frank M. Mayfield, President, Scruggs, Vandervoort & Barney, Inc., St. Louis, was elected President of the National Retail Dry Goods Association for a second term, at the 30th annual convention of that Association held in New York City.

ARE YOU PLANNING A CREDIT SCHOOL?

This new booklet explains how to organize and conduct Credit Schools



CONTENTS

- 1—The Books
- 2—Meeting Place
- 3—Plan of Study
- 4—School Director
- 5—Lecturers
- 6—Out-of-Town Speakers
- 7—Number of Lectures
- 8—Enrollment
- 9—Enrollment Fee
- 10—Attendance Record
- 11—Final Examination
- 12—Certificates
- 13—Textbook Prices
- 14—Cities Conducting Schools

Fill out the Coupon below and send it to the National Office TODAY

NATIONAL RETAIL CREDIT ASSOCIATION

1218 Olive Street
Saint Louis, Missouri

Please send me free copy of "How To Organize and Conduct Credit Schools."

Name

Address

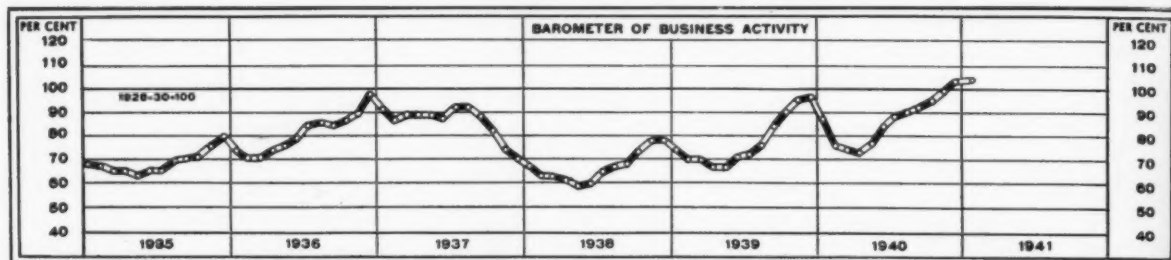
City

State Date

Current Business Conditions

The Barometer

Continuing the upswing noted during the eight months from May to December, the general level of business activity in January indicated a further slight rise to the highest for more than a decade past.



This barometer appears in the March issue of "Nation's Business," published by the United States Chamber of Commerce.

The Map

Trade and industrial activity have continued to move steadily higher, and both show gains which average 10 per cent above last year at this time. In many communities and in a number of industries which are working on Government contracts, the increases are much greater.

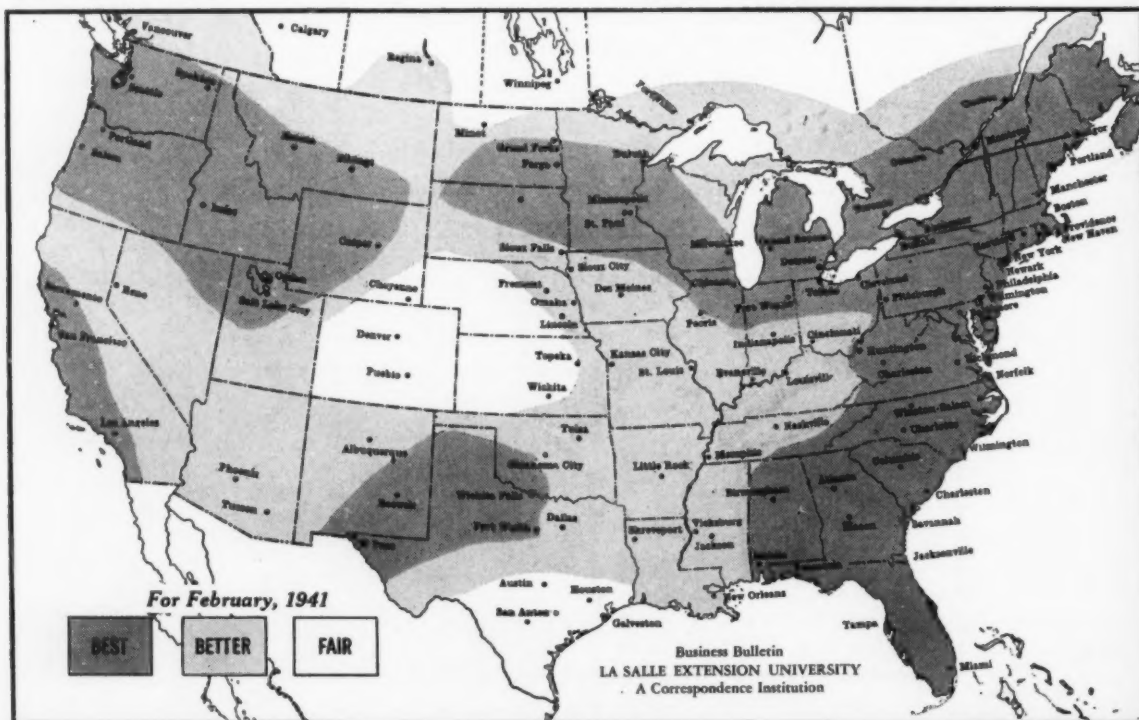
The expansion of business has been greatest in the industrial regions, especially those in which the heavy industries, such as steel and machinery, are predominant. These account for the good showing that is indicated on the Map for the states around the Great Lakes and in the East.

The higher rate of operations in the textile industries, as well as in a number of smaller special industries, has been an important factor in the increasing trade volume throughout much of New England. It is also significant in many communities throughout the industrial regions of the South; the winter tourist trade is reported to be higher than usual this year and is a factor in the greater business volume in Florida and in the cities along the Gulf.

Conditions in agricultural regions of the Middle West have not changed as much in recent months as have those in other parts of the country. Farm income is higher than it was, however, and most communities report that activity is gradually but steadily increasing. General conditions are better than they have been for many years.

The Map shows that trade and industry are also expanding rapidly in the states of the Pacific Northwest and in the mining regions of the Rocky Mountains. Activity has increased more in the Northern districts than in the Southern sections. Expansion in several industries has been responsible for more favorable trends in California.

In Canada, the divergence between the rapid upward movement in the industrial regions and the somewhat slower rise in the agricultural section of the country is even more marked than in the United States. The general average for the country as a whole, however, is from 10 to 12 per cent higher than a year ago. Indications point toward further gains, especially through the Eastern part of the country.



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